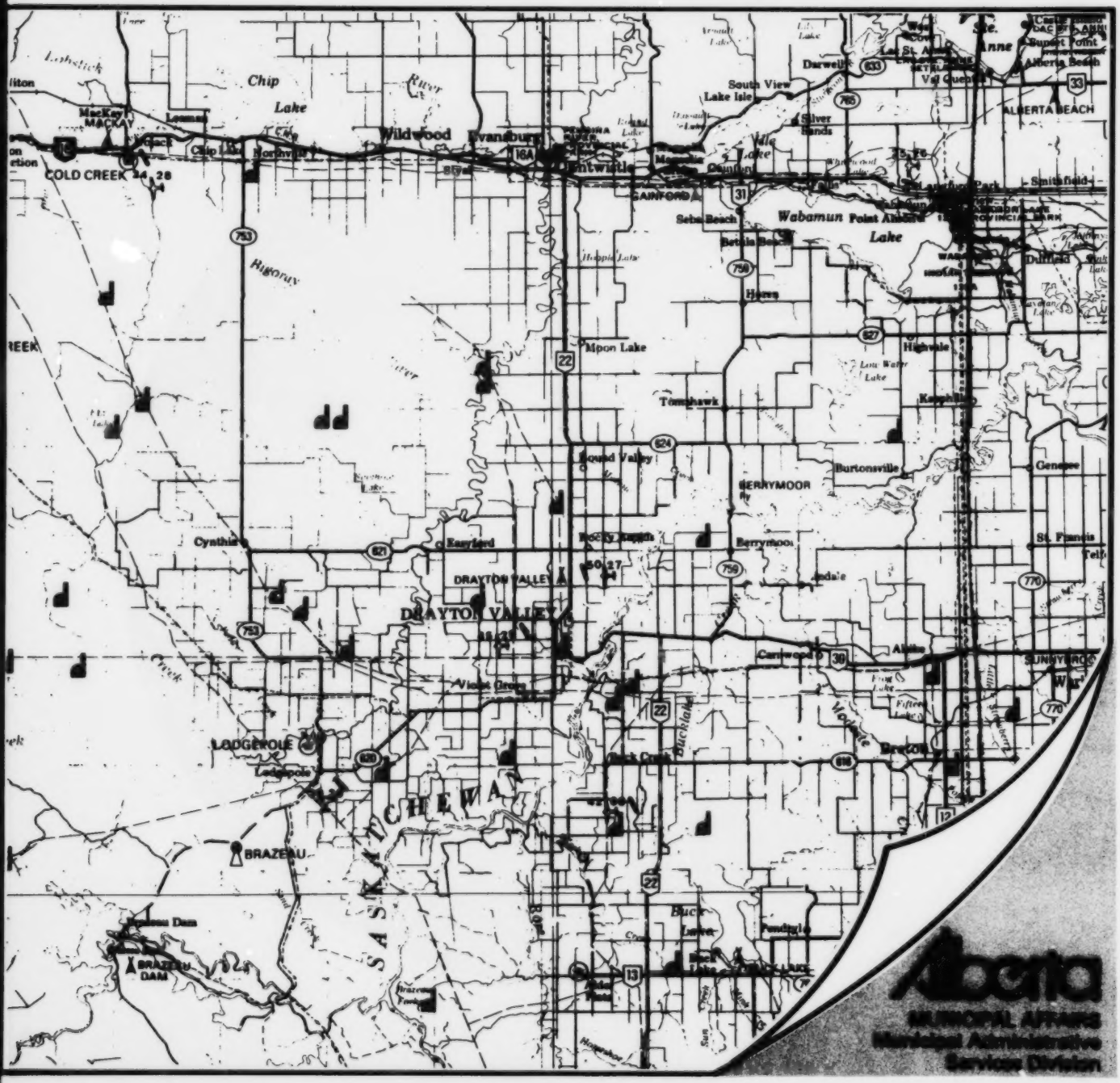
DRAYTON VALLEY AREA MUNICIPAL FEASIBILITY STUDY

SUMMARY REPORT



DRAYTON VALLEY AREA

MUNICIPAL FEASIBILITY STUDY

SUMMARY REPORT

Policy and Research
Municipal Services Branch
Alberta Municipal Affairs

May 1986

MUNICIPAL AFFAIRS

Office of the Minister

224 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-3744

DRAYTON VALLEY AREA MUNICIPAL FEASIBILITY STUDY

The Drayton Valley Area Municipal Feasibility Study has been undertaken as an information service to area residents who had expressed concerns through their M.L.A. The study addresses the financial feasibility of a wide range of options for change in the local government arrangements for the area. The impact of any change on existing local authorities is also expressed. I would like to take this opportunity to express my appreciation to these bodies for their cooperation during the conduct of this study. An Appendix has been included containing their submissions on the draft of the Preliminary Main Report on the study.

Future action by the provincial government on the matter will depend on the wishes of the people of the area after informed debate among themselves. The study report presents information which might, after public review, form the basis for a decision as to whether change should be actively pursued. The study appears to indicate that virtually any combination of areas and forms is financially feasible, leading to the basic questions: Is change warranted? And if so, what form of change, over what area, is generally desirable?

The provincial government will be interested in the outcome of the local debate on these questions, and will be open to representations where there is a consensus on desired change. In considering these, we will naturally wish to be satisfied that any change can be implemented without causing undue hardship or difficulties for local authorities currently servicing the area. By the same token, if existing local government arrangements are not working to the satisfaction of area residents, I wish to help correct that situation.

It is my hope that this information study report will be of service to all parties concerned to address this matter. For myself, I support local government that is close to the people living and working in a community which is the best basis for pursuing common goals and aspirations. The study report is offered in this spirit.

Yours truly,

Julian Koziak
Minister

PREFACE

This presentation summarizes the Main Report of the Drayton Valley Area Municipal Feasibility Study (March 1986). The Main Report extends to over 300 pages, 80 of which are in the form of an Appendix comprising submissions received as a result of the circulation of the Preliminary Main Report (December 1985). The Main Report also includes 17 individual maps and 41 statistical tables.

The Main Report should be consulted for a full appreciation of the results of the study. This Summary Report format does not permit detailed coverage of the study methods, assumptions, qualifications and contexting presented in the Main Report.

Copies of the Main Report, intended for public consultation, have been distributed to local authority offices and libraries in the study area. While supplies last, copies may also be requested from the address below. Comments and queries relating to the study may be directed to:

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Municipal Services Branch
Alberta Municipal Affairs
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PART I: GENERAL BACKGROUND

1.1. Introduction:

This presentation constitutes the Summary of the final Main Report on the Drayton Valley Area Municipal Feasibility Study. The information study was intended to help address a long-standing issue in the Drayton Valley area: namely, the contention that the area would be better served with its own local government, rather than being on the western end of counties headquartered far to the east. The present study was triggered by local concerns that the area would be further disadvantaged as a result of the updating of local electoral division arrangements in Parkland County. However, in the early 1970's the issue was also addressed by the Leslie Boundaries Commission, and was the subject of a 1977 Department of Municipal Affairs study.

The present study was commissioned by the Minister of Municipal Affairs in October 1984. Interim reports were issued in April and December 1985 as well as a draft dealing with school system matters in July 1985. The December 1985 circulation elicited several submissions which have been appended to the Main Report.

The study constitutes a rough first-cut feasibility analysis and impact assessment, the main intention having been to generate such information, in relation to a wide range of options, to provide the basis for a decision as to whether creation of a new local government in the general Drayton Valley area could be actively pursued. The study focussed on the financial feasibility of various change options (rather than on whether such changes could be warranted), and dealt mainly with municipal feasibility (with only a cursory examination of

the feasibility and impacts associated with school system changes).

The initial study areas arrangement consisted of a 'core study area' comprising all of that portion of the Drayton Valley provincial electoral division lying to the north and west of the North Saskatchewan River, with various 'secondary study areas' (covering parts of Leduc County, Wetaskiwin County, Clearwater M.D. and the Chip Lake area of I.D. 14) which had featured in earlier deliberations on the issue. The final study areas arrangement, giving greater importance to senior high school attendance areas, is shown on Map S-1, p. S-12. The impact or feasibility was assessed as if a new municipality had been established, and was operating, in 1984. The analyses were also based on 1981-84 financial trends, and incorporated comparative averages for a sample of rural municipalities in roughly similar circumstances to what would be encountered by a Drayton Valley area unit, namely, straddling the boundaries of, or just outside the influence of, a metropolitan region.

Information is presented for four main pairs of options, in terms of form of government and territorial extent (see Map S-2, p. S-13), all of which appear to be financially feasible with no significant adverse impacts for existing jurisdictions. The report contains no recommendations respecting the various options because the report did not address whether any change was warranted. However, with feasibility established, the information, interpretation and observation presented in the Report should assist all concerned to come to an informed opinion on what change, if any, is warranted, and if so, what form of change, over what territory, should be pursued.

1.2. Form of Government:

The alternative forms, or combinations, of local government regarded in the study were divided into three basic 'packages':

Municipal District/Town/School Authority:

Existing rural areas would be formed into a Municipal District with its own elected council responsible for municipal matters. School system arrangements would remain unchanged, or a new school division, with a separately elected board of trustees, would be formed with the same jurisdiction as the new M.D. The Town of Drayton Valley would remain a separate municipality and would support whatever school system arrangements existed for the general area.

Traditional County/Town:

A traditional county would be formed with one council being responsible for all rural municipal affairs along with a related county board of education having responsibility for all school affairs in the general area. The Town of Drayton Valley would be a supporter of the county school system (in a similar manner to its current support of the Parkland school system), but the Town would retain its separate identity and its responsibility for urban municipal affairs. This approach would involve some adjustments to existing legislation since at present a county can only be formed where a municipal district has first been formed and operated for several years.

Unified urban/rural County:

This fully integrated and comprehensive form of local government, best exemplified by Strathcona County near Edmonton, would entail one council, and related board of education, administering municipal and school affairs to urban and rural residents. The Town of Drayton Valley would become a key building block in such a unified county, and its currently separate incorporated status would be dissolved. The present town jurisdiction would constitute the main 'urban service area' within the unified county, to differentiate it from the surrounding 'rural service area.' This approach would probably entail a special act of the Legislature, along the lines of the Crowsnest Pass Municipal Unification Act, setting out any necessary provisions for urban/rural differentiation, electoral divisions, council composition, etc.

1.3. Territorial Extent:

The study included an examination of the area of influence of Drayton Valley in terms of retail trade patterns and oil-patch servicing activities. The boundaries of a selection of other agencies/relationships/agreements were also surveyed to help define proven and workable indicators of the appropriate territorial extent of a new local government unit. The main district relationships are indicated on Map S-3, p. S-14, which summarizes the results of the examination of school system and hospital district boundaries, as well as the District Agriculturist's territory and the oil-patch ties. Some important sub-district detail is brought out in Map S-4, p. S-15, dealing with school attendance areas and telephone exchange areas (including toll-free calling relationships).

The examination indicated a core area, basically defined by the senior high school attendance area, over which Drayton Valley appeared to exert a dominant influence. Outside of this it was less clear what areas could justifiably be included when considering the possible extent of a new local government unit centred in Drayton Valley. As a consequence, a range of 'scenario' areas was identified including: a 'lesser' and 'greater' scenario for Leduc County; three, progressively more extensive, scenarios involving I.D. 14; and an additional scenario for Parkland involving the Moon Lake-Magnolia area (see Map S-1). For the purposes of this study four basic combinations of these various areas were subjected to a financial feasibility analysis and impact assessment (see Maps S-2). These configuration options should be viewed as indicative, rather than as exclusive or definitive.

1.4. Impact on Existing Municipalities:

The main impact of creating a new unit would be felt by up to five existing rural municipalities: the Counties of Parkland, Leduc and Wetaskiwin, the M.D. of Clearwater and I.D. No. 14. All are liable to be diminished to varying extents, although all are currently very large rural municipalities in one or several respects. Base data relating to the impacted jurisdictions - before and after any diminution - are presented in Table S-1, p. S-16. The projected percentage reductions in various factors are presented in Figure S-1, p. S-21.

The overall effect of creating a new unit would be greatest for Parkland County, although there is a good measure of offsetting or

balancing in the extent to which various factors would be diminished. I.D. 14 is the other municipality which could be strongly affected although, except for the most extensive scenario, there is a much greater imbalance between the projected loss of assessment and the reduction in expenditure obligations.

The changes in the interrelationships between assessment and people-serving or road-maintenance responsibilities are indicated in Figure S-2, p. S-17 which deals with projected changes in tax base indicators. These fiscal capacity statistics are the best single indicator of the relative ability to provide a standard 'basket' of municipal goods and services at a moderate level of taxation. All the potentially impacted jurisdictions, with the exception of Wetaskiwin County, enjoy above average fiscal capacities at present and would continue to do so if they were diminished as a consequence of the creation of a new unit.

The healthy fiscal capacities correlate with below average municipal taxation rates for all but Leduc County which rates around the sample average. This is the case for both equalized general municipal mill rates and the level of taxation indicated for individual comparable properties (see Table S-2, p. S-17).

Calculations indicated the likelihood of small increases in the municipal taxation levels for the balance of the existing jurisdictions which would be excluded from any new unit, but would be indirectly impacted. (See left hand side of Figure S-4, p. S-24). However, the new tax levels would still be below the sample average, though again with the exception of Leduc County.

1.5. A Drayton Valley Area Local Government:

The alternative forms and territorial extent of a new local government for the general Drayton Valley Area have been discussed in earlier sections. The base data for each possible building block of a new unit are presented in Table S-3, p. S-18. For analytical purposes these blocks were combined into four basic options in terms of territorial extent (Map S-2), with each option being further subdivided to represent either a 'purely rural' form (focussing on an M.D. or traditional county) or a unified urban/rural form (directly integrating the existing Town of Drayton Valley jurisdiction).

A consideration of the projected tax base indicators for each option indicated that all eight would have a very healthy assessment base and a very good assessment mix in terms of industrial assessment (see Figure S-3, p. S-23). All options may be assessed as viable and feasible local government units, though some appeared to make more sense than others.

For most of the affected areas the projected municipal tax rate associated with each option appeared to be roughly similar to, or slightly less than, those actually experienced in 1984. The projected shifts are graphically represented in Figure S-4. The major exceptions would be those areas now within I.D. 14, where tax rates would increase significantly over the present low levels, and in those areas now within Leduc County where tax rates would decrease quite significantly from current levels. Those now within the Town of Drayton Valley's jurisdiction would also experience fairly significant decreases in tax levels under any of the unified urban/rural county scenarios.

In general, however, it was determined that the development of a new local government would probably not be associated with major changes in municipal taxation for most taxpayers, so much so that taxation shifts did not seem to constitute a decisive factor. Of greater consequence would be the particular areas that could be sensibly included in a new unit.

It was observed that, ideally, the new jurisdiction should encompass areas where Drayton Valley has a dominant or significant influence, in comparison with other service centres, regardless of present municipal boundaries. Such an ideal needs to be conditioned by the assumption that the taxpayers in these areas find Drayton Valley to be a more convenient and acceptable local government centre than the present arrangements. There would have to be a general granting of consent to be governed from Drayton Valley, under a generally acceptable form of government, with fair and reasonable representation for all areas and interests.

1.6. School System Impacts and Options:

Because of its municipal government focus, the study summarized here treated school system implications in a highly general and preliminary manner. If comprehensive local government arrangements for the Drayton Valley Area were to be pursued, a much more thorough and specific study of matters relating to education governance and finance would be required. Such a study need not preclude the establishment of a new unit, should this appear justifiable and appropriate on municipal grounds. Instead, it is expected that the study would be implementation-oriented, identifying appropriate

measures to mitigate any adverse effects and to capitalize upon any mutually beneficial opportunities presented by the prospect of a change.

In the present study estimates were made of the broad financial contours of a new school system serving the Drayton Valley area. The four basic area options discussed earlier (Map S-2) were used as the basis for evaluating the related school system options. The impacts experienced by existing systems were assessed in terms of the extent of jurisdiction that may be lost depending on the configuration of the new system.

Comparative data on the four main school systems which might be affected are presented in Table S-4, p. S-19. There are many broad similarities between each of the existing systems, and it was judged that they are all generally offering a high standard of service at moderate tax levels on account of a combination of economies of scale and healthy assessment situations. The many similarities encouraged the view that the statistical levels and financial profiles of the existing systems would be liable to very little change if the systems happened to be diminished. It was also surmised that fairly similar statistics and profiles might well apply to any system that may be created in the Drayton Valley area, regardless of the configuration. However, a new system in this area would be particularly well endowed with Electric Power and Pipe-Line assessment, and the related tax benefits. This could depress grant entitlements.

Comparative data for the four basic school system options are presented in Table S-5, p. S-20. The projected shifts in school taxation levels are illustrated in Figure S-5, p. S-25.

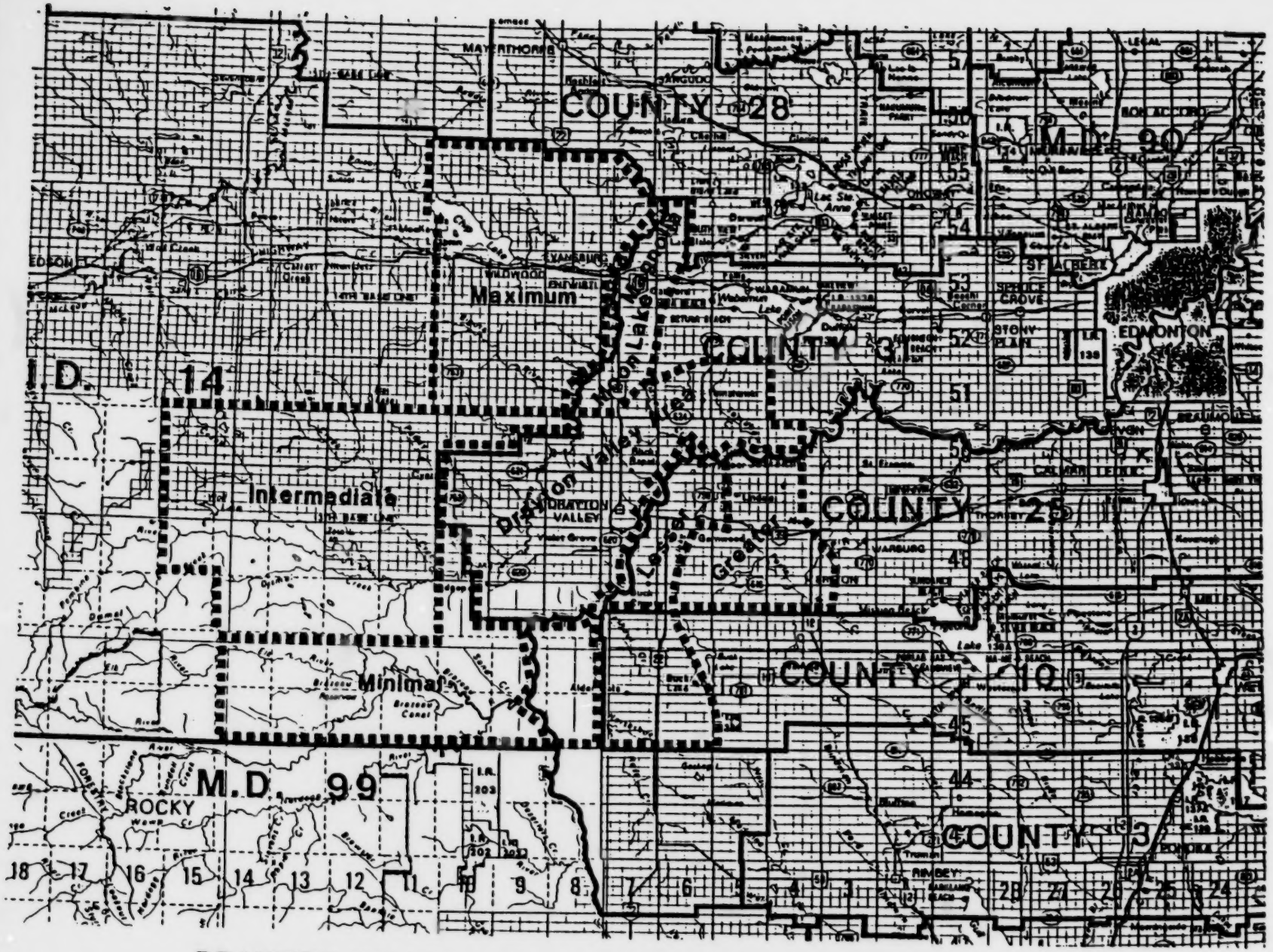
The key factor in the tax-shift calculations was the assumed rate of supplementary requisition per student. For each option the rate of $1350 was used (compared with the $1200 average exhibited in 1984 by the four school systems currently serving the area). The higher rate was selected, in part, to allow for the effects of generally above average unit costs in what would be a comparatively small system with a fairly scattered student population. The adopted level was also viewed: a) as providing some cushion for extraordinary start-up costs; b) as helping to ensure the maintenance of an above average school system in terms of the quality of education delivered; and c) as assisting, over the long-term, in the accumulation of sufficient reserves to offset any major future changes in the education finance regime, and/or to help cope with reductions in assessment associated with the gradual decline of conventional oil and gas production from the area.

The various options studied were determined to hold out the prospect of at least similar school tax rates to those now in effect, with the probability of various degrees of reduced rates depending on the option. Where significant reductions are indicated (e.g. Option C/D, Figure S-5) these were noted to be mostly at the expense of increases in the school tax rates experienced by Yellowhead school system supporters. It was considered difficult to justify creating such a small school system (as C/D) when it would be associated with windfall benefits for comparatively few, at the possible additional expense for a comparatively large number of taxpayers elsewhere.

From the perspective of Electric Power and Pipe-Line taxpayers, those properties now located within I.D. 14, if incorporated

within new school system boundaries, would experience a major decrease in school taxation. This category of taxpayers in other jurisdictions would also benefit through lower tax rates by inclusion in any new arrangement, though the extent of the reduction would be modest in comparison with that to be experienced by benefitting I.D. 14 properties.

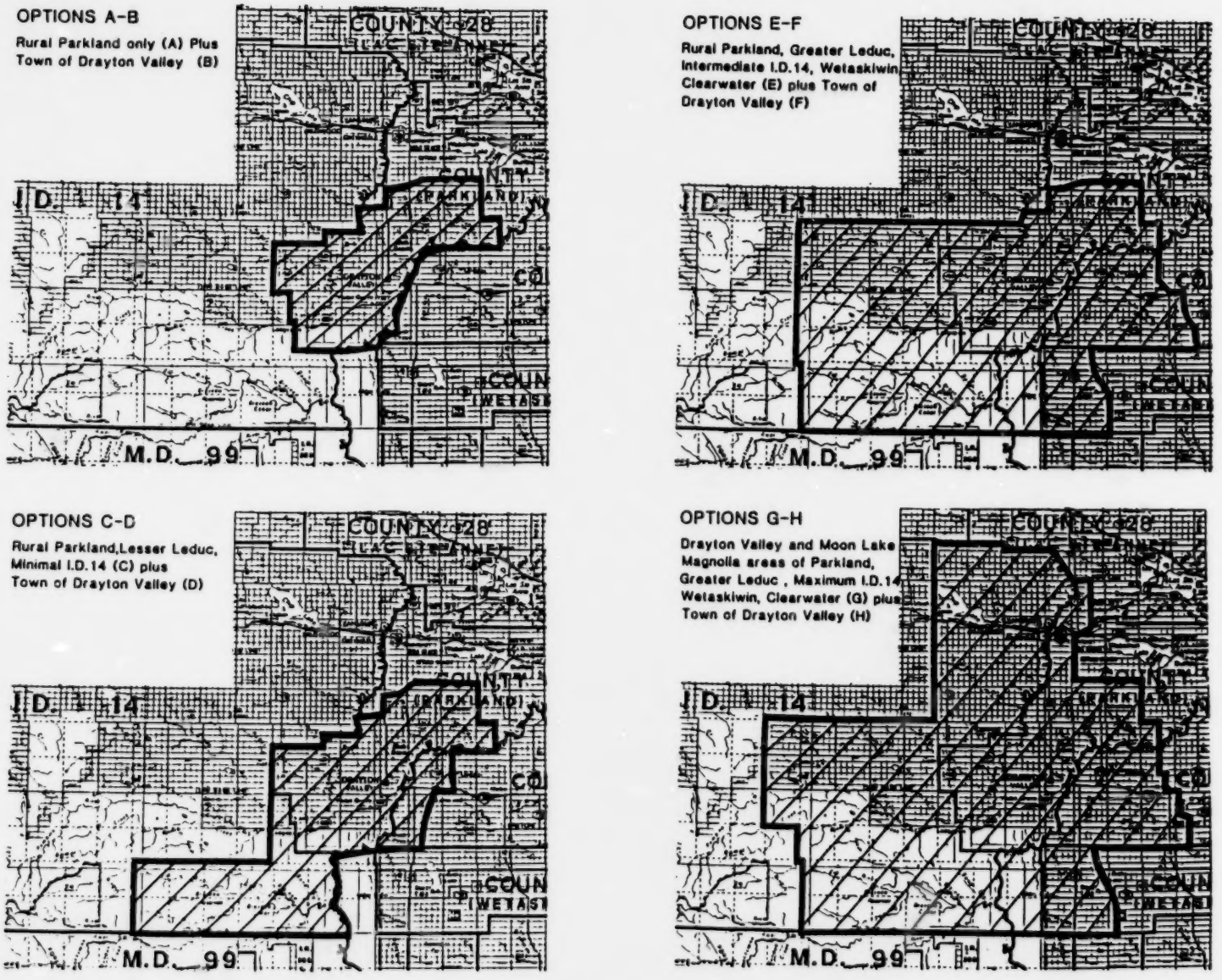
In general, any of the urban municipalities that might be incorporated in a new system could look to reduced rates of supplementary school requisitions. This was particularly apparent in the case of the Town of Drayton Valley for anything other than the smallest option. The main exceptions would be the Villages of Evansburg and Wildwood, supporters of the Yellowhead System. All urban supporters of this system, including the Towns of Hinton and Edson, would be liable to increased supplementary school requisitions if the existing Yellowhead system was diminished. The Village of Breton would also experience an increased rate under the 'lesser' scenario (Option C/D), but significantly reduced rates under Options E/F and G/H.



DRAYTON VALLEY AREA MUNICIPAL FEASIBILITY STUDY

STUDY AREAS

MAP S-1: STUDY AREAS

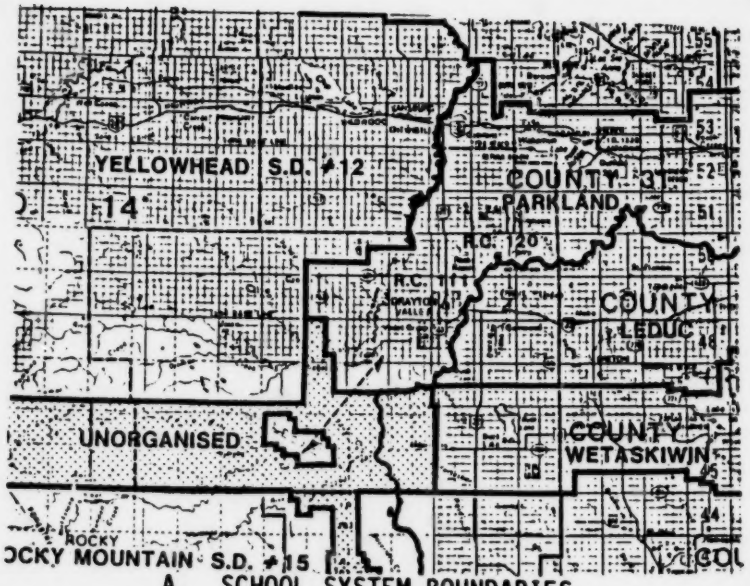


MAP S-2: CONFIGURATION OPTIONS

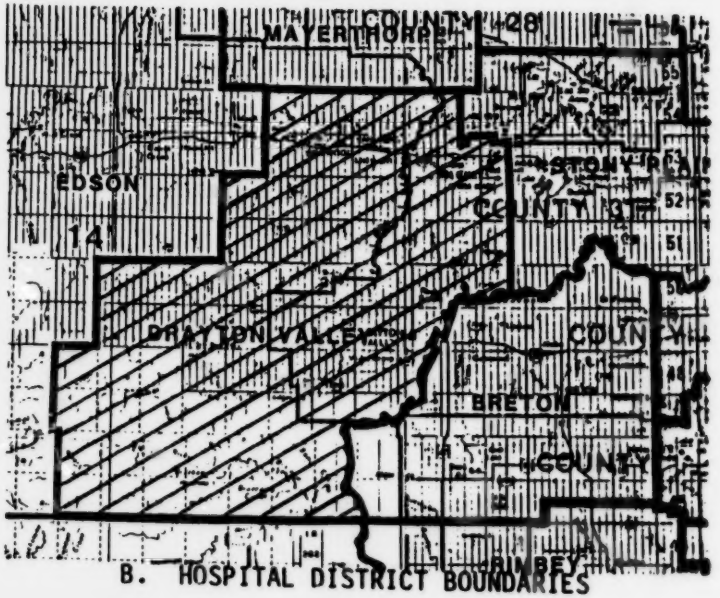
DRAYTON VALLEY AREA MUNICIPAL FEASIBILITY STUDY

CONFIGURATION OPTIONS

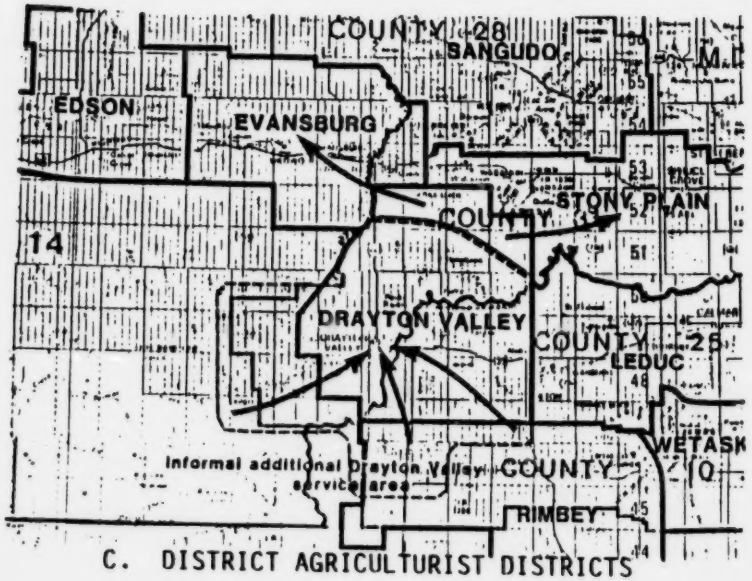
MAP S-3: SELECTED DISTRICT MAPS



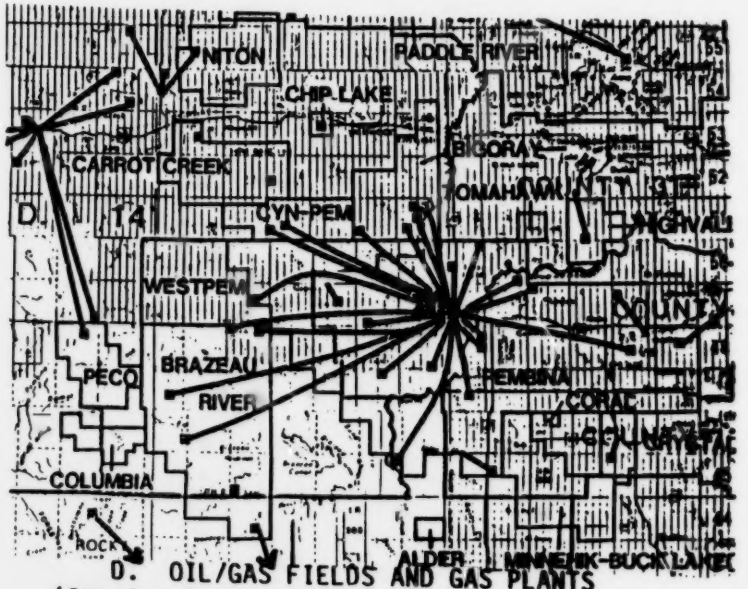
A. SCHOOL SYSTEM BOUNDARIES



B. HOSPITAL DISTRICT BOUNDARIES

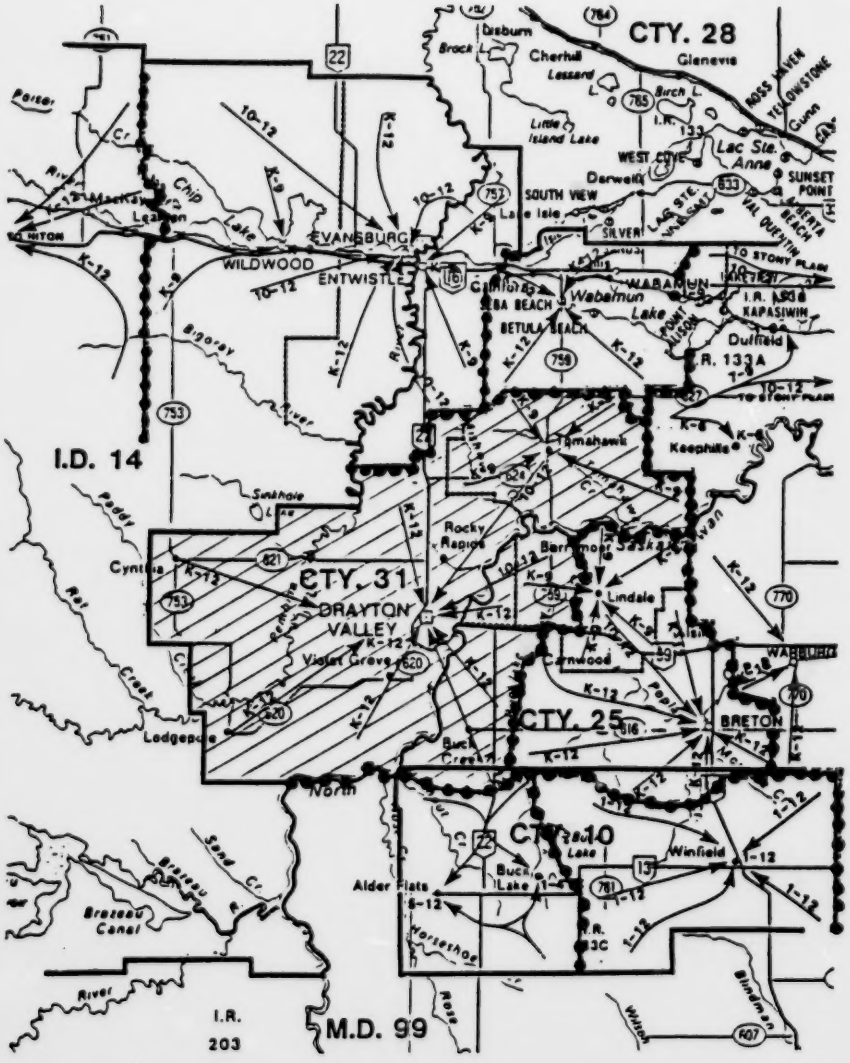


C. DISTRICT AGRICULTURIST DISTRICTS

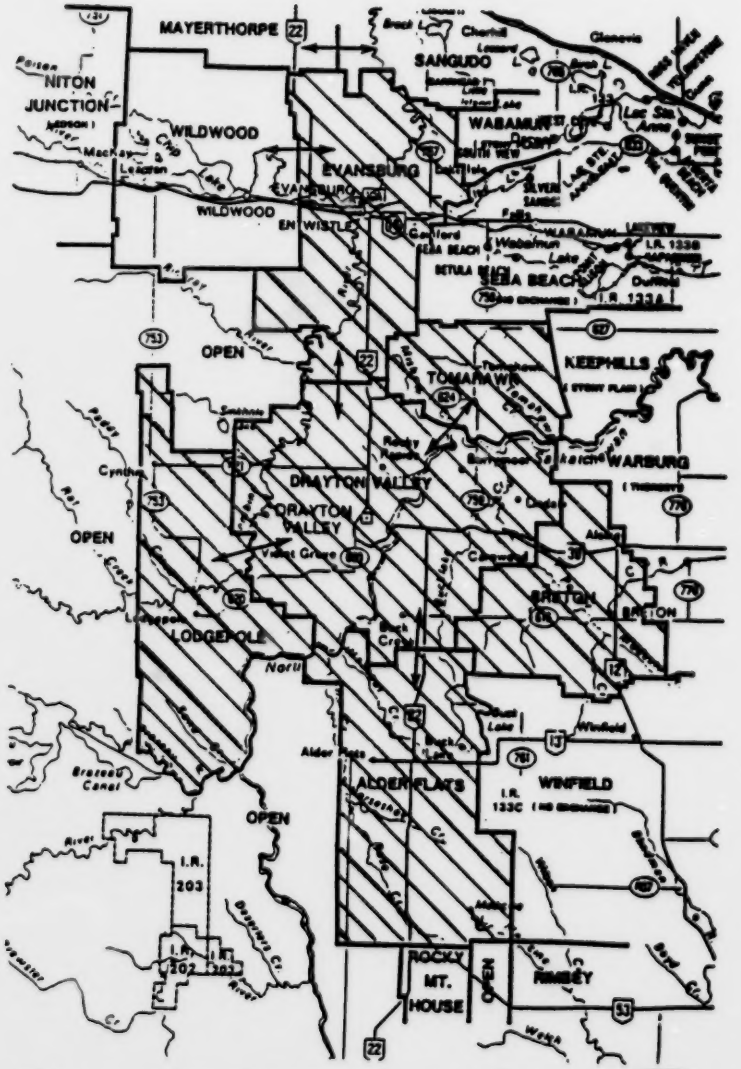


D. OIL/GAS FIELDS AND GAS PLANTS
(Service lines to main operations centre)

MAP S-4: SUB-DISTRICT MAPS



A. (SENIOR HIGH) SCHOOL ATTENDANCE AREAS



B. OPERATING EXCHANGES (AND TOLL-FREE CALLING RELATIONSHIP)

TABLE S-1: Impacted Jurisdictions: Base Data (1984)
(Various diminution scenarios)

	Population	Area (ha.)	Sec./Loc. Roads (kms)	Total Eq. Assessment ($)	Industrial (S.F.P. Eq.) Ass. ($)	Pipe-& Power-line (Eq.) Assessment ($)
Parkland County:	Before 23,950	373,721	2570	373,701,830	241,998,840	186,612,950
D.V. Area only:	After 19,998	224,233	1863	298,961,464	175,449,159	135,294,389
Moon Lake-Magnolia:	After 19,565	184,605	1751	295,423,432	173,388,305	134,247,444
Leduc County:	Before 13,296	352,400	2896	177,546,540	120,070,770	52,108,190
Lesser:	After 12,631	320,684	2679	164,230,550	109,864,755	42,989,257
Greater:	After 11,368	269,586	2375	143,812,697	91,253,785	29,701,668
Wetaskiwin County:	Before 9,026	337,912	2301	94,160,940	51,560,150	22,322,190
	After 8,123	290,604	2082	82,390,823	41,763,722	16,406,810
Clearwater M.D.:	Before 9,201	1,865,937	2453	188,511,190	162,760,660	81,869,480
	After 9,193	1,837,187	2453	183,717,606	157,995,614	77,718,101
I.D. 14:	Before 8,119	2,649,301	2341[1]	175,145,370	142,819,090	73,713,320
Minimal:	After 8,090	2,516,834	2294	162,009,467	129,251,276	65,604,855
Intermediate:	After 8,090	2,340,827	2288	138,611,309	106,469,323	51,261,349
Maximum:	After 6,089	2,172,427	1756	124,353,321	99,973,363	47,913,658
5 Counties Average:	4,229	368,804	2385	46,973,582	18,750,836	11,106,802
5 M.D.'s Average:	4,455	352,442	1871	45,002,658	19,933,026	8,019,678
10 Rural Municips. Average:	4,342	360,623	2128	45,988,120	19,341,931	9,563,240

Note: 1 Includes 732 km of 'local forestry' road, maintained by Alberta Transportation, for the Forest Service mainly.

Sources: Tables 3-1 and 4-1 and 5-1 (Main Report).

TABLE S-2: Taxation Comparisons

A. EQUALIZED MILL RATES (1981-84 Average Data)

	Total Property Taxation	Total Requisitions	Total Municipal Taxation	Total Supplem. School Requisitions
Parkland County	58.1	31.8	26.3	20.9
Leduc County	67.3	31.8	35.4	21.0
Wetaskiwin County	55.1	29.3	25.7	19.7
Clearwater M.D.	46.0	27.5	18.5	13.9
I.D. 14	42.3	33.4	17.0	21.2
5 M.D. Average	64.2	32.3	32.0	24.0
5 County Average	73.9	32.6	41.3	25.2
10 Rural Mun. Average	69.0	32.4	36.6	24.6

B. COMPARATIVE TAXES (1985): REPRESENTATIVE PROPERTIES

		Farmland (Quarter-Section)[2]					Residential[2]	
		56%(63ac) 62%(92ac) $	43%(131ac) 46%(27ac) $	Bush(32ac) 30%(124ac) $	25% (40ac) Bush(119ac) $	24% (15ac) Bush(144ac) $	House/ Garage (013Gy) $	House/ Garage (013C) $
PARKLAND COUNTY (West-end)	School	190	134	71	50	23	104	351
	Municipal	196	138	73	51	24	107	361
	TOTAL[1]	402	284	150	106	49	221	742
LEDUC COUNTY (West-end)	School	218	154	81	57	27	127	411
	Municipal	239	169	89	63	29	139	451
	TOTAL[1]	460	324	172	121	56	267	867
WETASKIWIN COUNTY (West-end)	School	179	126	67	47	22	129	337
	Municipal	209	147	78	55	26	151	394
	TOTAL[1]	424	299	159	112	52	306	799
CLEARWATER M.D.	School	122	91	50	34	14	69	240
	Municipal	218	162	90	60	25	123	428
	TOTAL[1]	350	261	144	97	41	198	687
I.D. 14	School	470	127	70	47	20	84	322
	Municipal	162	121	67	45	19	81	308
	TOTAL[1]	332	248	137	92	39	165	630

Notes: 1 The 'total' figure includes small Hospital District requisitions and/or other special municipal levies, which are not separately identified. The 'school' portion refers to the supplementary school requisition. The 'municipal' portion refers to the general tax levy.
2 The specific properties used as the basis for the comparisons were selected by regional assessment staff, Alberta Municipal Affairs.

Sources: The mill rates used are 'AVR Residential' as reported to the Assessment Equalization Board, and published in the Board's Mill Rates Report (October 1985).

TABLE S-3: DRAYTON VALLEY AREA LOCAL GOVERNMENT CONFIGURATION OPTIONS BASE DATA (1984)

Options	Constituents	Population	Area (ha)	Sec./Loc. Rds. (kms)	Total Eq. Assessment	Industrial (SFP) Eq. Ass.	Pipe-/Power Eq. Ass.
A.	Drayton Valley area of Parkland	3,952	149,488	707	74,740,366	66,549,681	$1,318,561
B.	Parkland (Drayton Valley area) + Town of Drayton Valley	8,876	150,233	741	110,735,436	81,245,961	60,881,801
C.	Drayton Valley area of Parkland + I.D. 14 (minimal scenario) + Leduc County (lesser scenario)	4,646	313,671	971	101,192,259	90,323,510	68,545,959
D.	Option C + Town of Drayton Valley	9,570	314,416	1,005	137,187,329	105,019,790	69,601,565
E.	Drayton Valley Area of Parkland + I.D. 14 (intermediate scenario) + Leduc County (greater scenario) + Wetaskiwin County + Clearwater M.D.	6,820	616,834	1,500	161,571,971	146,277,907	106,237,000
F.	Option E + Town of Drayton Valley	11,744	617,579	1,534	197,567,041	160,974,187	107,293,000
G.	Drayton Valley and Moon Lake-Magnolia areas of Parkland + I.D. 14 (maximum scenario) + Leduc County (greater scenario) + Wetaskiwin County + Clearwater Municipal District	9,416	854,600	2,172	182,800,163	158,643,029	112,520,000
H.	Option G. + Town of Drayton Valley	14,340	855,345	2,284	228,795,233	173,339,309	113,575,000
5	Counties Average	4,229	368,804	2,385	46,973,582	18,750,836	11,106,802
5	M.D.'s Average	4,455	352,442	1,871	45,002,658	19,933,026	8,019,678
10	Rural Municipalities	4,342	360,623	2,128	45,980,120	19,341,931	9,563,240

Source: Tables 5-1 and 4-2. (Main Report)

TABLE S-4: EXISTING SCHOOL SYSTEMS: SELECTED COMPARATIVE DATA (1984)

	Parkland County #31	Leduc County #25	Wetaskiwin County #10	Yellowhead S.D. #12
Number of Students (Sept. 1984)	10,385	5,050/3,778[1]	2,164	4,998
Non-E.P./P.L. Eq. Assessment (per student)	$347,741,690 ($33,485)	$166,262,550 ($44,008)	$92,460,000 ($42,726)	$198,186,010 ($39,653)
E.P. and P.L. Eq. Assessment (per student)	$186,612,950 ($17,969)	$52,108,190 ($13,793)	$22,322,190 ($10,315)	$70,466,137 ($14,099)
Total Eq. Ass. Base of System (per student)	$534,354,640 ($51,454)	$218,370,740 ($57,801)	$114,782,190 ($53,042)	$268,652,147 ($53,752)
E.P./P.L. Ass. as % of Total Ass.	34.9%	23.9%	19.4%	26.2%
Total Operating Expenditures (per student)	$44,677,527 ($4,302)	$21,669,187 ($4,290)	$9,308,811 ($4,302)	$20,161,788 ($4,034)
Expenditure Effort (per $1000 Eq. Ass.)	$83.6	$99.2	$81.1	$75.0
Surplus/(Deficit) (per student)	($258,783) ($25)	($537,491) ($106)	($43,773) ($20)	($76,877) ($15)
Conditional Transfers Revenue: Grand Total (per student)	$42,241,003 ($4,068)	$18,884,917 ($3,739)	$8,322,421 ($3,846)	$19,578,907 ($3,917)
S.F.P.F. Transfer Component (per student)	$25,991,406 ($2,503)	$12,136,734 ($2,403)	$5,001,451 ($2,311)	$11,464,925 ($2,294)
S.F.P.F. revenue as % of total op. expendits.	58.2%	56.0%	53.7%	56.9%
Supplementary Requisitions (per student)	$12,344,831 ($1,189)	$4,863,928 ($1,287)	$2,622,455 ($1,212)	$6,208,025 ($1,242)
Supp. Req. as % of total op. expendits.	27.6%	22.4%	28.2%	30.8%
Pipe and Power Tax contribution (as a % of total Supp. Req.)	$4,386,070 (35.5%)	$1,125,444 (23.1%)	$510,001 (19.5%)	$2,249,575 (36.2%)
Transfers other than Supp. Req. or S.F.P.F. (per student)	$3,904,766 ($376)	$1,884,255 ($373)	$698,515 ($322)	$1,905,957 ($381)
Equalized Mill Rate for Supp. Req.:				
a) Lands, Buildings and Improvements	22.9	22.5	22.9	20.0
b) E.P./P.L.	23.5	21.6	22.9	30.5 (I.D. 15)

SOURCES: Ass. Eq. Board Synopsis; 1984 Financial Statements; School Buildings Branch, Alberta Education; and calculations (of the aggregated mill rate) by staff of the Policy and Research Section, Alberta Municipal Affairs.

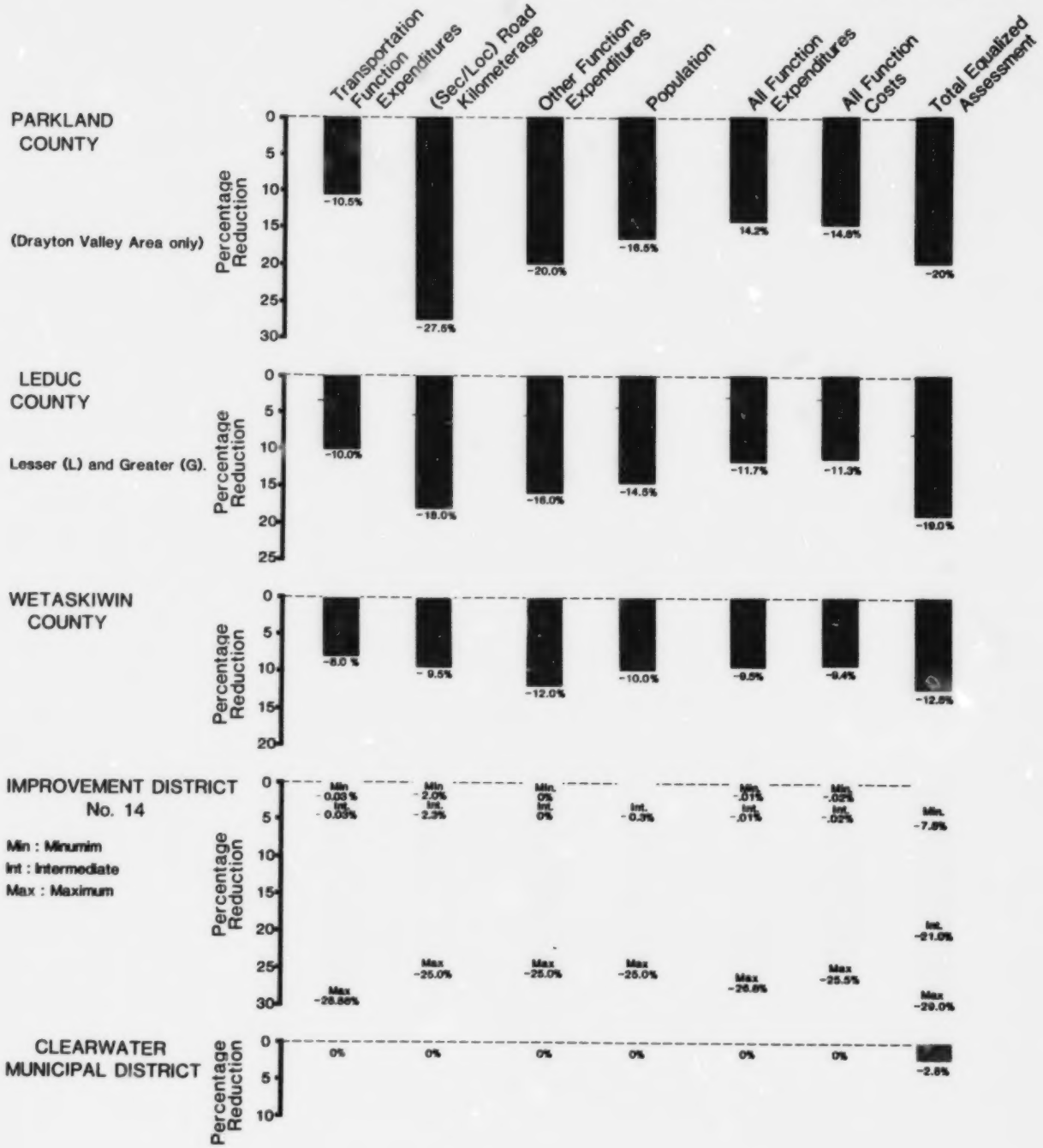
1 Actual Sept. 1984 figure = 3,778, but the county school system serviced City of Leduc students for the first half of 1984. 5050 is a compromise between the Sept. 83 and Sept. 84 county enrolments. The 5050 figure is used for the calculation of expenditure and revenue statistics; the 3778 figure is used for the fiscal capacity statistics

TABLE S-5: DRAYTON VALLEY AREA SCHOOL SYSTEM CONFIGURATIONS: COMPARATIVE STATISTICS

	OPTION[1] A/B	OPTION[1] C/D	OPTION[1] E/F	OPTION[1] G/H	4 SYSTEM[3] AVERAGE
Number of Students	1725	1725	2423	3333	5331
System Utilization Capacity (%)	75.3	75.3	71.7	70.0	78.0
Lands, Buildings & Improvements Eq. Ass. (per student)	$30,210	$35,390	$35,586	$33,227	$37,333
E.P./P.-L.[2] Eq. Ass. (per student)	$29,750	$39,737	$43,846	$33,759	$15,546
Total Eq. Ass. (per student)	$59,960	$75,127	$79,431	$66,985	$52,879
E.P./P.-L.[2] Ass. as % of total ass.	49.6%	52.9%	55.2%	50.4%	29.4%
Total Operating Expenditures (per student)	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,232
Expenditure Effort (per $1000 Eq. Ass.)	$ 66.7	$ 53.2	$ 50.4	$ 59.7	$ 84.7
Conditional Transfers Rev. (per student)	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,892
S.F.P.F.[2] Transfer Component (per student)	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 2,377
S.F.P.F.[2] revenue as % of total op. exp.	56.3	56.3	56.3	56.3	56.2
Supplementary Requisitions (per student)	$ 1,350 (est.)	$ 1,350 (est.)	$ 1,350 (est.)	$ 1,350 (est.)	$ 1,232
Supplementary Requisitions as % of total op. expendits.	33.8	33.8	33.8	33.8	27.3
Pipe and Power Tax contribution (as % of total Supp. Req.)	68.7%	67.7%	65.7%	61.6%	28.6
Transfers other than Supp. Req. or S.F.P.F.[2] (per student)	$ 250	$ 250	$ 250	$ 250	$ 363
Equalized Mill Rates for Supp. Req.					
a) L.B.I.[2]	22.5	18.0	19.3	20.2	22.1
b) E.P./P.-L.[2]	22.5	18.0	19.3	20.2	24.6

Notes: 1 Option areas are mapped on Map S-2.
2 Terms: S.F.P.F. = School Foundation Program Fund; E.P./P.-L. = Electric Power and Pipe-line; L.B.I. = Lands, Buildings and Improvements.
3 4 Systems: Parkland Co.; Leduc Co.; Wetaskiwin Co.; Yellowhead S.D.

FIGURE S-1 : IMPACTED JURISDICTIONS : PROJECTED PERCENTAGE REDUCTIONS IN SELECTED FACTORS.

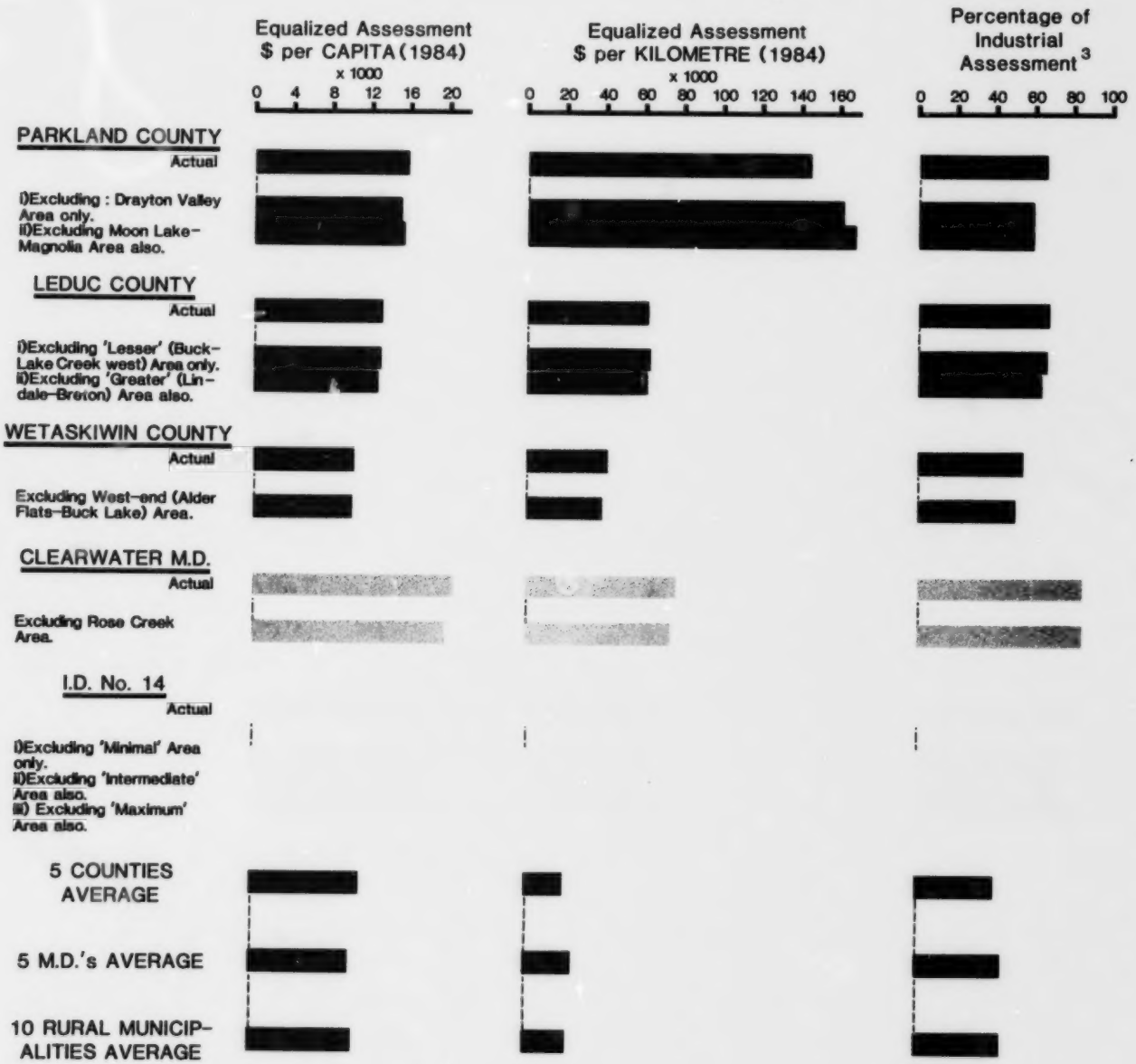


Note : For a map detailing study areas, see Map S-1.

SOURCE : Table 4-15, p4-52, Main Report.

FIGURE S-2 : IMPACTED JURISDICTIONS [1] : PROJECTED CHANGES IN TAX BASE INDICATORS.

(Fiscal Capacity per capita and per kilometre[2]; and Assessment Mix[3])

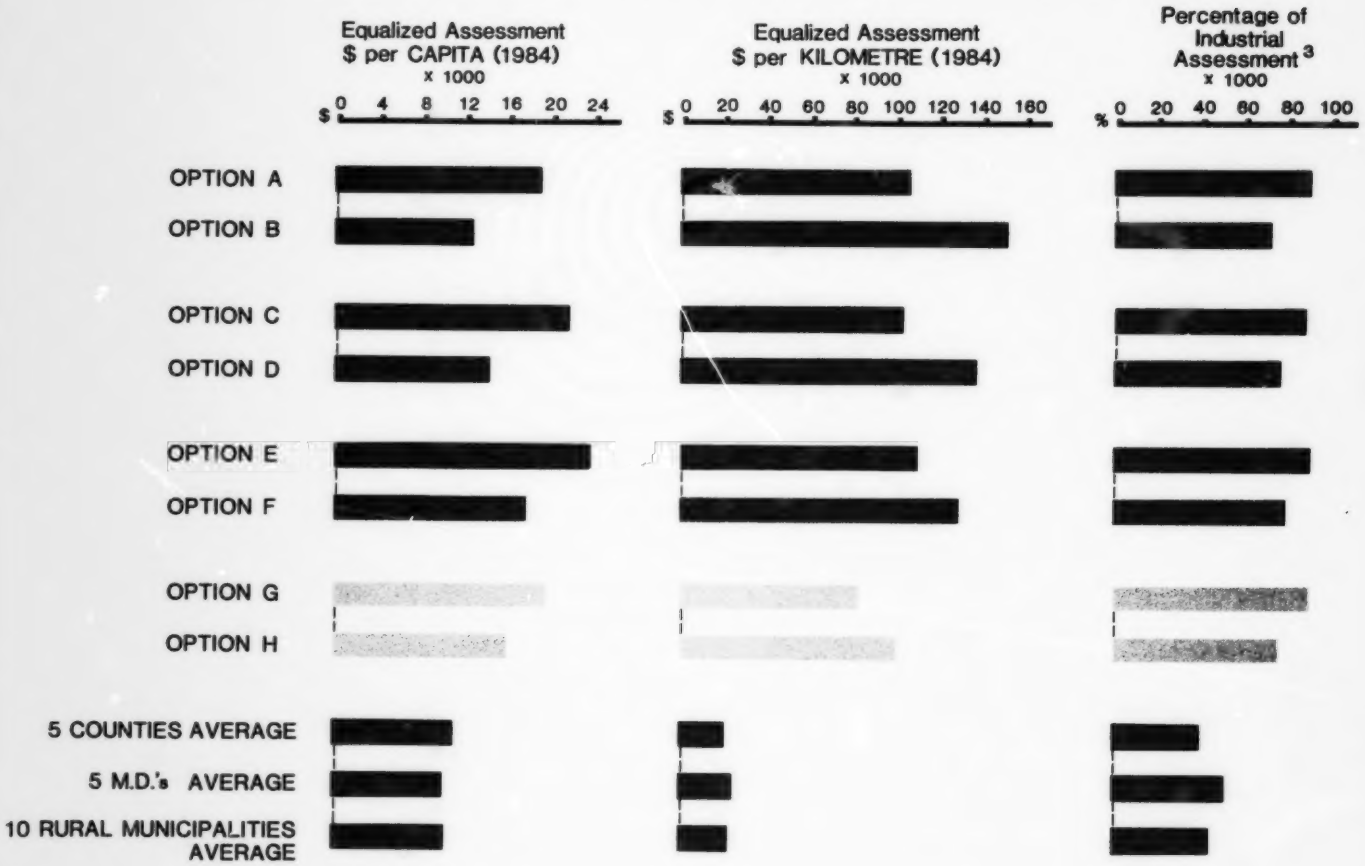

Equalized Assessment $ per CAPITA (1984) x 1000
0 4 8 12 16 20
Equalized Assessment $ per KILOMETRE (1984) x 1000
0 20 40 60 80 100 120 140 160
Percentage of Industrial Assessment 3
0 20 40 60 80 100
PARKLAND COUNTY
Actual
i)Excluding : Drayton Valley Area only.
ii)Excluding Moon Lake-Magnolia Area also.
LEDUC COUNTY
Actual
i)Excluding 'Lesser' (Buck-Lake Creek west) Area only.
ii)Excluding 'Greater' (Lindale-Breton) Area also.
WETASKIWIN COUNTY
Actual
Excluding West-end (Alder Flats-Buck Lake) Area.
CLEARWATER M.D.
Actual
Excluding Rose Creek Area.
I.D. No. 14
Actual
i)Excluding 'Minimal' Area only.
ii)Excluding 'Intermediate' Area also.
iii) Excluding 'Maximum' Area also.
5 COUNTIES AVERAGE
5 M.D.'s AVERAGE
10 RURAL MUNICIP-ALITIES AVERAGE

Notes : 1. Exclusion areas are detailed on Map S-1.
2. Refers to kilometerage of all open local and secondary roads (including forest roads).
3. Based on the amount of School Foundation Program Equalized Assessment as a percentage of Total Equalized Assessment.

SOURCE : Table 4-3, p4-37, Main Report.

FIGURE S-3 : DRAYTON VALLEY AREA LOCAL GOVERNMENT OPTIONS[1]: PROJECTED TAX BASE INDICATORS.

(Fiscal Capacity per Capita and per Kilometre[2] and Assessment Mix[3])

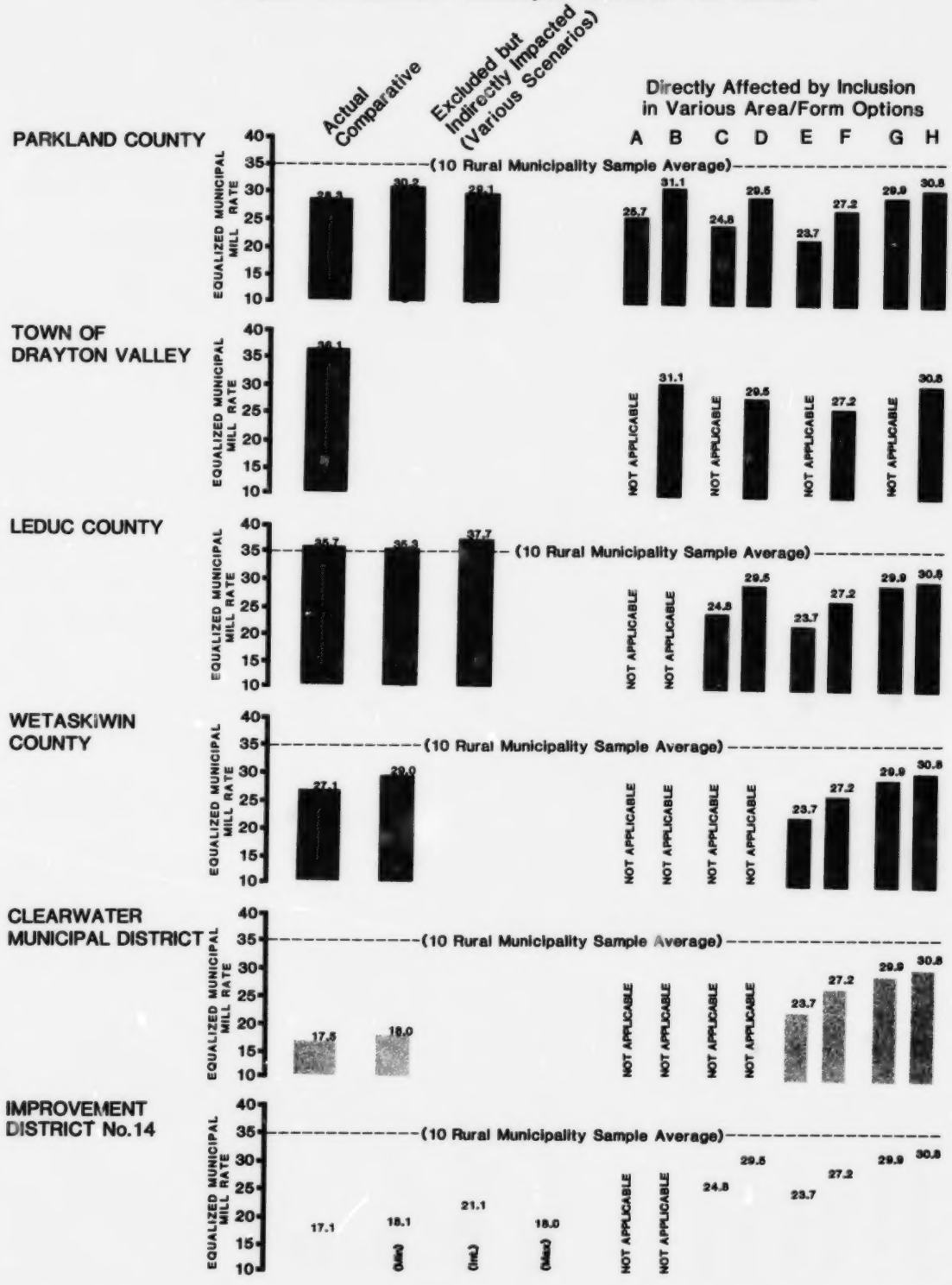

Equalized Assessment $ per CAPITA (1984) x 1000
$ 0 4 8 12 16 20 24
Equalized Assessment $ per KILOMETRE (1984) x 1000
$ 0 20 40 60 80 100 120 140 160
Percentage of Industrial Assessment 3 x 1000
% 0 20 40 60 80 100
OPTION A
OPTION B
OPTION C
OPTION D
OPTION E
OPTION F
OPTION G
OPTION H
5 COUNTIES AVERAGE
5 M.D.'s AVERAGE
10 RURAL MUNICIPALITIES AVERAGE

Notes :
1. Option Areas are Detailed on Map S-2.
2. Refers to kilometerage of all open local and secondary roads (including forest roads).
3. Based on the Amount of School Foundation Program Equalized Assessment as a Percentage of Total Equalized Assessment.

SOURCE : Table 5-3, p5-34, Main Report.

FIGURE S-4 : PROJECTED SHIFTS IN MUNICIPAL TAXATION LEVELS

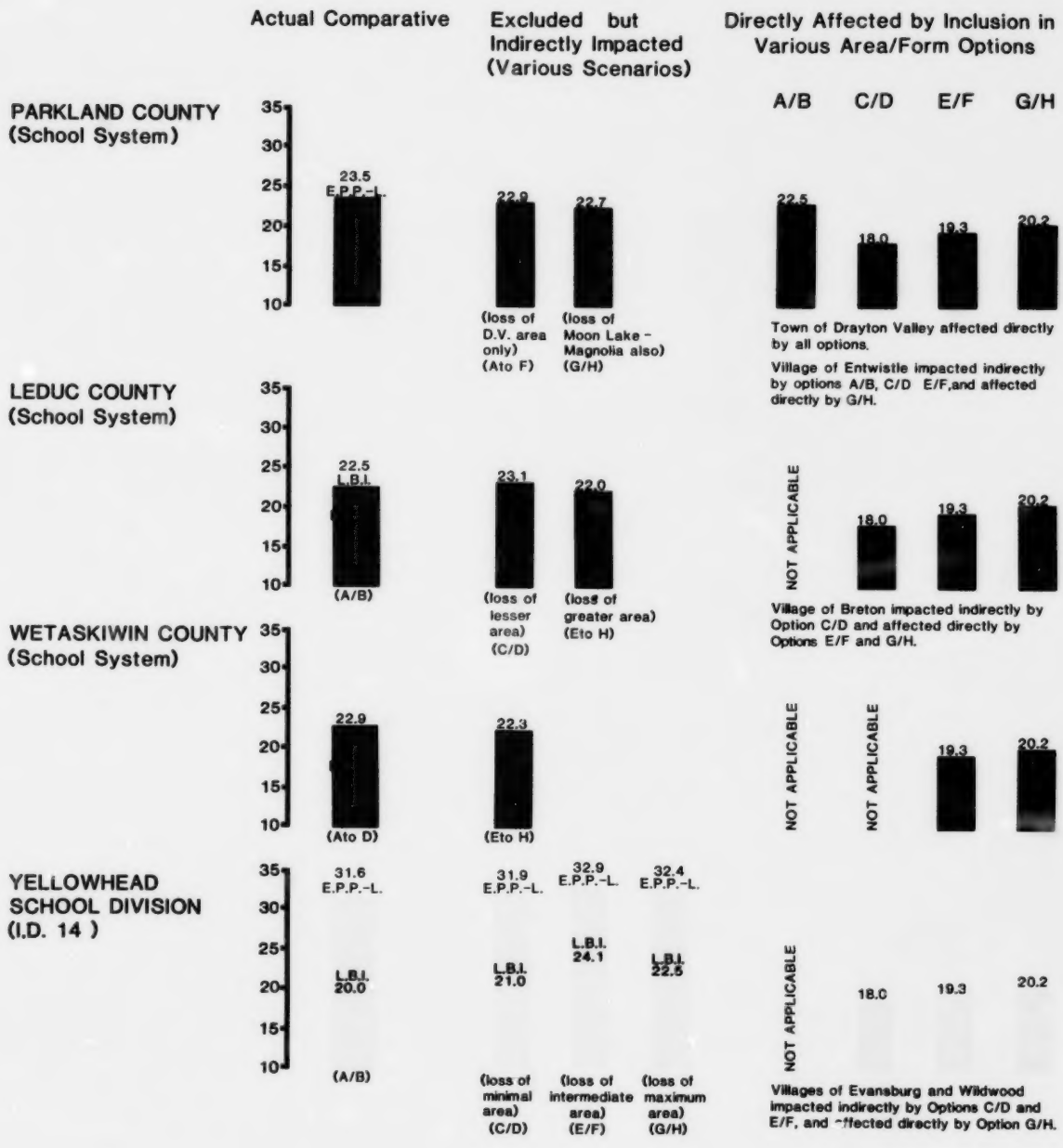
(Equalized General Municipal Taxation Mill Rates)



SOURCE : Table 5-5, p5-36, Main Report.

FIGURE S-5 : PROJECTED SHIFTS IN SCHOOL TAXATION LEVELS

(Equalized Mill Rates, Excluding School Foundation Program Requisitions)



SOURCE : Table 6-11, p6-41, Main Report.

PART II: IMPACTED JURISDICTIONS OVERVIEW

2.1. Introduction:

While this study has indicated that a new local government in the Drayton Valley area is highly feasible on financial grounds, and could be formed at no great hardship to the local authorities currently responsible for the area, there remains certain questions about the political feasibility of establishing a new unit, and whether any change is warranted given the disruption to existing local authorities.

The current campaign for more direct and more localized government in the Drayton Valley area is believed to be about the fourth such campaign in the area's modern history. It addresses a long-standing contentious issue which has never been resolved, in part because the previous campaigns were unsuccessful, despite substantial petitions. Possible reasons for the failure of previous campaigns include:

- the targetting of too great an area, encompassing districts with either strongly divided allegiances or openly hostile to inclusion in a local government centred on Drayton Valley.
- a limitation to traditionally rural interests, and to traditional forms of government, while overlooking the possibility of also integrating urban and oil-patch interests.
- less than unanimous opinion, within the core area of interest, on account of splits between older 'pre-oil' settlers, and newer residents associated with oil and gas development.

. interest in only threatening separation, to goad the county councils into giving more attention to the west-ends.

Is there now a mutually-trustful, common-thinking and broadly-based community of people, in the general Drayton Valley area, with the capability and the will to accept responsibility for locally governing themselves in a more direct manner than has been the case in the past? And, if so, what is the geographical extent of this community?

In considering these questions it should also be borne in mind that, over the long-term certainly, all three counties have served their west-ends well. Parkland County, to its credit, has gone to the extent of establishing a major sub-office in Drayton Valley. Although Leduc and Wetaskiwin Counties have not responded recently in such a major way, there is the historical point that, before the discovery of oil in the western areas in the early 1950's, it was the rich farm assessment base in the eastern areas that helped to subsidize the developing western areas with their poorer soils. In return, the east-ends have been compensated for their special or earlier efforts to service the west-ends, through benefits conferred by the low-cost oil-patch industrial assessment base concentrated in the western areas. The question that may be posed now is: can 'quits' be called? Would the eastern areas be better off without their cantankerous west-ends, or would the integrity of the existing units be seriously impaired?

2.2. Parkland County:

The county council presently numbers seven members, with three representatives - including the present reeve - coming from the west-end, three representatives from the east-end, and the seventh serving a central division. With the 1986 civic elections the council will increase to nine members, structured into four 'urban' divisions, around Spruce Grove/Stony Plain, and five rural divisions. Three of these will be in the west-end and the other two will be more centrally located, but will probably have closer ties to the east than the west .

The new divisional structuring is of particular concern to the current Drayton Valley area councillor, since it is expected to further shift the balance of power in the county to the semi-urban eastern areas. This could be to the detriment of the western area with its more rural orientation, its contrasting socio-economic profile, and its different development scenario. He is therefore favourably disposed to more localized local government for the west end of Parkland County. This position is also attractive for the councillor currently representing the Magnolia-Moon Lake and Gainford-Seba Beach areas, who would be placed in even more of a minority position if the existing county was diminished by the Drayton Valley area only. This councillor already finds county-wide planning controls, devised mainly to cope with situations in the more densely-developed east, to be overly rigid when applied in the much more rural western settings. It is also sensed by this representative that education costs are much higher than they need to be, because of the pandering to more lavish eastern tastes, and an aversion to greater privatization in areas such as student transportation.

The third west-end councillor is the present reeve. He is less fearful of the consequences of the new divisional structuring, and believes the west-end residents of the county have been equitably treated under the present arrangements, and have probably been relatively well served in comparison with western residents of the other counties. There is also apprehension about further reductions in Parkland given the recent experience of losses to the Village of Wabamun and the City of Edmonton. The reeve has also pointed out the difficulties experienced by the county in trying to deal fairly with the cost-sharing requests made by the main urban municipalities within its boundaries (Spruce Grove, Stony Plain and Drayton Valley). For example, the county cannot be as forthcoming as it might wish when dealing with what may appear to be a reasonable request from the Town of Drayton Valley if there is the possibility of thereby setting a precedent which could cost the county dearly if repeated in all the other urban cases.

If a new local government was created out of part of Parkland the diminished county would become more purely and more predominantly a semi-urban, rather than rural, municipality. Any remaining rural divisions would almost certainly be in a distinct minority situation, but most if not all would be quite conveniently located vis-a-vis the county seat in Stony Plain (compared with the existing west-end divisions), and would probably be well-satisfied with their circumstances in comparison with any other alternatives (e.g. joining another, more rural, rural municipality). The greatest dilemma would be generated for existing Division 5 (future Division 7) residents (Moon Lake-Magnolia-Gainford-Seba Beach), who may have to choose

between one of at least three options: the status quo; an incorporated I.D. 14; or a new Drayton Valley area local government. A majority consensus is unlikely, suggesting the possible need for a sub-township survey of preferences prior to settling any boundaries in this area.

The existing council, while presently somewhat split on the issue, obviously includes a majority who would tend to favour the status quo, rather than see a separate Drayton Valley area unit. There is however a general awareness that the west-end will probably continue to be something of a large thorn in the side of the existing county, and that it will be increasingly difficult to deny the demands of westerners for more local democracy, as the east continues to grow both in significance and in its urban orientations. There may therefore be a resignation to let the west go and fend for itself (assuming this is the wish of a substantial majority of western residents), in the interests of a more homogeneous and harmonious Parkland County.

From a municipal operations perspective the loss of the west end would probably make for a more streamlined and rational Parkland unit, largely as a result of relief from the general 'doubling-up' of costs associated with the maintenance of the county's large sub-office operation (including public works shop and garage) in Drayton Valley. The diminished county would still have a considerable population base and this, in combination with the smaller area and the more compact shape, should assist the county in increasing operating efficiencies. These could help to avoid any increases in mill rate associated with the loss of a disproportionately large amount of assessment to the new unit.

The county would be relieved of the responsibility for future farmland-access roads in the still developing west-end, and would be spared the major expenses currently associated with maintaining county roads used heavily by oil-patch traffic (and, in the future, by trucks servicing forest-industry developments). However, apart from these special demands, the west-end road network has not been nearly so expensive to maintain as that in the more densely developed east. If diminished there will be less western tax base to help subsidize the present relatively high eastern road standards. Road budgets will be squeezed, perhaps painfully, unless greater efficiencies can be realised. (Comparative statistics indicate some scope for attaining such efficiencies.)

Parkland County is presently unusual, in comparison with most rural municipalities, in its provision of policing and planning services on a full departmental basis. The police service in particular is somewhat controversial, being perceived by some as a luxury which the county can ill-afford or justify, especially when the free services of the R.C.M.P. are also present. Both services make most sense in relation to the more densely populated eastern areas, and it is possible that they will enjoy a greater measure of public acceptance in a diminished county setting. It is also probable that they will be able to achieve greater cost-efficiencies, on the basis that the west end is presently more expensive to service but contributes less through (non-tax) revenues to the recovery of these costs.

From a <u>school system</u> perspective county officials have suggested that the separation of the Drayton Valley area would probably

involve a greater loss to the area in question, than to the existing system. The present system is comparatively large and well-endowed, and the Drayton Valley area has been able to benefit from the advantages that flow from the large scale of operation and the wealth of specialized resource people and programming. The projected school tax shifts indicate that the existing system would be slightly better off without its current west-end responsibilities (Figure S-5, p. S-25).

Officials and school board representatives have indicated that if the system must be diminished on the west, then consideration should be given to inclusion of the Entwistle school attendance area, and possibly the Seba Beach school attendance area, in the new unit. Nevertheless, their basic position is very much in favour of the status quo, even though it is difficult to identify any current Parkland system interests, outside the Drayton Valley area, which might be adversely affected if the system was diminished. It is understood however that some existing staff, on both the municipal and school sides of the county, are distressed and demoralized by the prospect of a diminished county. Creation of a new unit could result in onerous dislocation problems for a relatively large number of staff in the Parkland context, in comparison with other rural municipalities which might be diminished to make way for a new unit.

From a taxpayer's perspective, a diminished Parkland would raise the prospect of a slight increase in municipal taxes, which may or may not be offset by increased operating cost-efficiencies (Figure S-4, p. S-24). Even with an increase, Parkland taxpayers would still be comparatively well-serviced at below average tax levels. The prospect of an increase signifies that their relatively low tax levels

have in the past been somewhat subsidized by the western tax base. In particular, relatively high road standards in the east have been had at the expense of comparatively low expenditure effort in relation to west-end roads. The slight municipal tax rate increase would be partially offset by a decrease in education tax rates, for both general taxpayers and those paying on the basis of E.P. and P.-L. assessment (Figure S-5, p. S-25).

The projected tax rate changes in Parkland's case are much less than was determined in the course of a 1977 study of the same issue, mainly because of the current exclusion of coal-mining and power plant assessment around the south-east shore of Lake Wabamun. The county has also seen healthy assessment growth in the intervening period, offsetting some losses related to the formation of the Village of Wabamun, and the recent Edmonton annexation. There are reasonably good prospects for further assessment growth in the central and eastern parts of Parkland. The future integrity and viability of Parkland County appears to be assured, even if the west end was lost. The only possible threats on the horizon would be further annexation by Edmonton, or the formation of a separate public school district in the now City of Spruce Grove: both possibilities seem remote at the present time.

If the school system was diminished by separation of the west-end it is possible that some present tensions relating to the large size of the school board could be eased somewhat. At the present time there are 7 county councillors on the school-board, all with

full-time voting status. Spruce Grove and Stony Plain each have three elected representatives with two each having voting status at any given meeting: Drayton Valley has two representatives with one having voting status at any one time. Others have three representatives with two having voting status at any one time. This amounts to a grand total of 18 members with only 14 voting at each meeting. After the next civic election, with nine, rather than seven, county councillors, the school board is due to increase to 20 members of whom 18 would vote. Loss of the west end would probably mean: a return to seven county councillors and to 14 voting members; the prospect of more equitable representation both between councillors and trustees-at-large and among the urban supporters; and the possibility of less non-voting membership.[1]

2.3. Leduc County:

The county council currently consists of seven members with two representatives serving the western third of Leduc County. Their divisions are elongated in an east-west direction, one (Division 7) stretching from Berrymoor through Lindale and St. Francis to the Genesee area, and the other (Division 6) stretching from Buck Creek through Breton and Warburg to almost the north shore of Pigeon Lake. Each division therefore includes substantial areas with very little relationship to Drayton Valley: those residents who might be interested in joining a new unit would almost certainly be a minority in each division. It is not surprising, therefore, that each of the present division representatives sense no major interest in, or need

1 For example: 7 County Councillors; 3 Spruce Grove trustees; 3 Stony Plain trustees; 1 other voting trustee, from two or three other representatives.

for, a change in local government arrangements. This is in contrast to their counterparts in the west-end of Parkland.

Both west-end representatives reported that, whereas many of their constituents may have had reason to complain about service deficiencies up until a few years ago, it was their impression that, more recently, west-end servicing had been stepped-up considerably. In particular, major road improvements were pointed to, especially along Secondary Road 616. There were now very few complaints about west-end servicing being brought to the councillors attention.

It was acknowledged by one councillor that interest in joining any new unit would probably be greater west of Buck-Lake Creek, but he still doubted if there would be majority support. The other councillor is particularly anxious that nothing be done to disrupt the Lindale school situation. Both feel that their areas would remain relatively poor cousins, as peripheral to a Drayton Valley-centred unit as they are at present to the county seat in Leduc. In consequence, they cannot see any advantages or justification for a change to a unit centred across the North Saskatchewan River.

One councillor suggested that if there must be a change it would make more sense to create two square counties out of the existing Leduc and Wetaskiwin Counties, one for the east and the other for the west. He felt strongly that the North Saskatchewan River should continue to be respected as a municipal boundary.

The Leduc County council as a whole is very opposed to any change in the status quo, and has no desire whatsoever to lose any of its west end to another unit. It is strongly of the opinion that it has met the concerns raised by west-end residents during the last

campaign ten years ago. Unlike their Parkland counterparts there has been no indication of any possible resignation to concede territory in the interests of being rid of a cantankerous western minority.

Like Parkland however, Leduc County is becoming more polarized into a rural west, outside the influence of metropolitan Edmonton, and a semi-urban east, strongly under the metropolitan influence. The council has effectively recognised this fact in their preliminary response to provincial proposals for a realignment of local electoral divisions. Along the lines followed by Parkland, the council has suggested four 'urban' divisions in the east, in the area under the jurisdiction of the Edmonton Metropolitan Regional Planning Commission, and three rural divisions in the west, in the area under the jurisdiction of the Battle River Regional Planning Commission. It may be projected that the balance of power will shift clearly in favour of the semi-urban east, which may or may not be appreciated by western area residents.

If diminished on account of a new unit Leduc County might be in a position to maintain more of a balance between urban and rural interests (e.g. three divisions each, or three urban/four rural). If it must be diminished, the council is also concerned that the boundary not divide the Breton school attendance area. It seems clear that either the whole of, or none of, the Breton high school attendance area be included in any new unit. Another possible boundary basis for the 'greater' scenario would be that now used for the Breton and District Recreation Board, established by the county.

From a municipal operations perspective Leduc County has less opportunity than Parkland to avoid extra costs associated with a

special servicing effort to the west: the county does not maintain any western sub-office. If diminished however, the county does stand to benefit from its relief of responsibility for maintaining and constructing western roads. These seem to involve particular problems related to difficult terrain (deep ravines, complicated creek crossings, extensive cut-and-fill situations) and an incomplete road network. The county appears to have been spending relatively large amounts on road work, in recent years, but it is difficult to tell how much of this is accounted for by the different circumstances in the west.

In the course of the comparative financial analyses Leduc County was revealed to be a relatively high spender across the board, with associated high tax levels (Table S-2, p. S-17; Figure S-4, p. S-24). If it can be assumed that monies are being spent efficiently and equitably, county residents generally, including those in the west end, should be able to easily observe where they are being better served than their neighbours in Parkland or Wetaskiwin Counties. Perhaps this explains the lack of complaints reported by west end councillors. If the assumption cannot be sustained however, it is probably the case that there is considerable scope for greater operating efficiencies to be realised. Such an exercise would probably be more assisted than hindered if the county lost part of its west end.

From a school system perspective the board of education is on record as follows:

"1. We prefer that the boundaries stay as they are.

2. We do not want to lose Lindale school, nor do we want to lose enrolment in Breton schools.

3. Breton and Lindale schools are an integral part of our system. We are proud of these schools, their staffs and the community involvement."

The county school system is also still reeling from the disruption associated with the formation of the (City of) Leduc School District. This strengthens the school board's view that the establishment of a new local government to the west would seriously disrupt the delivery of educational services in the county as a whole.

Issues enumerated by the county school board include the following:

- . further serious curtailment of opportunities associated with the economies of scale available in a large system.
- . inefficiencies or deficiencies related to fixed costs or needs with respect to specialists and special programming.
- . extreme sensitivity, in terms of small high school viability, to changes in attendance areas.
- . severe handicapping of the sense of community that has grown between Thorsby, Warburg, Breton and Lindale areas.
- . need to settle the current debate over the distribution of E.P. P.-L. assessment for school taxation purposes, before considering a new local government that would be heavily dependent on this form of assessment.

The school board appears to see no redeeming factors in a diminution scenario, and this is probably to be expected given the trauma associated with the recent severance of the City of Leduc from the county system. There may be an element of over-reaction in the school board's position, especially in relation to the 'lesser area' scenario where certain of the board's own arguments against any change can be used to readily justify the inclusion of this area in a new local government.

From a municipal taxpayer's perspective the calculations indicated that the remaining county taxpayers might actually be slightly better off if the 'lesser' area was part of another jurisdiction. However, under the 'greater' area scenario the diminished county taxpayers face the prospect of an increase in the municipal tax rate (Figure S-4, p. S-24). It is strongly suspected that this increase can be avoided through readily available operating cost-efficiencies, the successful attainment of which would be enhanced in a diminished county setting. Even without these it can be argued that in the modern post-oil era at least the western tax base has been available to help subsidize the tax costs faced by eastern residents. There are indications that while the west end currently accounts for slightly over 10% of the county's net costs for the provision of municipal services, it generates almost 20% of the total tax revenues raised (Figure S-1, p. S-21).

In terms of school taxes E.P. P.-L. ratepayers would probably experience an increase, more so under the 'lesser' diminution scenario, but the higher rate would still be on a par with the rate now in effect in adjacent jurisdictions. For other school taxpayers a slight increase is indicated for the 'lesser' scenario and a slight decrease for the 'greater' scenario (the reverse of the municipal tax shift projection) (Figure S-5, p. S-25).

A major factor to be considered in the Leduc County case is the power plant development at Genesee, scheduled to be in operation next decade. This should exert a strong moderating or cushioning

effect on tax levels in the county. The importance of this factor is difficult to gauge precisely because of other possible developments which could limit the windfall currently anticipated. For example, once the plant is in operation, if not before, the City of Leduc will probably attempt to annex the Nisku industrial area and the International Airport. Another scenario might involve some province-wide general industrial tax-base sharing. These events could erode some of the expected Genesee benefits.

Whatever the exact outcome it is likely that Leduc County will continue to have a relatively healthy assessment base, with or without its west end. Residents of a diminished county need not therefore be unduly concerned about increased taxation as a consequence of diminution on the west. It is more difficult to estimate whether west-end residents would be better off under a new local government. Changes in taxation levels would probably not constitute a decisive factor since the new unit would also have a relatively healthy assessment base. The servicing available would almost certainly be at least as good as that now available - from both a municipal and school perspective, - and the county seat would be quicker and cheaper to access by road or telephone. However, the new unit would by definition be an unknown quantity, in contrast to Leduc County's long-standing record of proven service to the area, and its declared intention to continue to serve west end ratepayers with at least as good a range and quality of services as they might obtain elsewhere. Much will clearly hinge on the outcome of a carefully structured plebiscite to determine where new local government re-arrangements are wanted, to the extent of being warranted.

2.4. Improvement District #14:

In August 1983, at the suggestion of the Minister of Municipal Affairs, the two Advisory Councils serving I.D. 14 agreed to amalgamate, in preparation for the possible incorporation of the I.D. The eastern council consisted of five members operating from a sub-office in Evansburg. The area formerly covered by I.D. 14 (East), basically that part of the I.D. between ranges 7 to 13 inclusive, continues to retain some of its former significance, enclosing the four easterly divisions in the new ten-member I.D. 14. The former I.D. 14 (West), headquartered in Edson, had seven members and is now represented by six members (in five divisions) in the amalgamated situation. Edson continues to be the main office under the new arrangements.

The new council appears to be strongly united in its desire to pursue incorporation within the existing boundaries if this is possible. It cannot understand why any part of the I.D. has been included in the study and is disturbed at the prospect of having this desire frustrated by proposals which would entail incorporation of parts of its existing jurisdiction into new municipalities, nullifying the possibility of incorporation of the existing I.D.

It has been opposed to any approach which involves a presumption that any portion of the I.D. would be automatically included in a new unit should this be pursued. The council is also concerned that any diminution in jurisdiction in its south-east can be adquately rationalized, and is reluctant to accept any case based on such matters as oil/gas field servicing areas, hospital authority boundaries, or areas which are 'unorganized' for school purposes. If a

Drayton Valley area unit is viable without encroaching on the existing I.D. they would naturally prefer to see such an option pursued, even if more appropriate boundaries would naturally encompass parts of the I.D. and municipalities other than Parkland County.

From a municipal operations perspective the I.D. would experience no significant changes in responsibilities unless the Chip Lake area happened to be incorporated into the new jurisdiction. This area is close to being the agricultural core of I.D. 14: its loss could jeopardize the viability of a decent Agricultural Service Board service for the remainder of the I.D. Apart from this it is probable that the diminished I.D. would be slightly better off without the Chip Lake area: servicing costs tend to be greater than available tax revenues, because of the relative concentration of people and roads.

From a school operations perspective the Yellowhead School Division may also be slightly better off without having to service the Chip Lake area, where utilization capacities tend to be lower. The school board appears to hold a position similar to the Leduc County school board (adamantly against any change) rather than the Parkland board (strategically suggesting consideration of more extensive changes if some change in existing arrangements is unavoidable). The school system and its supporters would, potentially, be hurt most by the intermediate scenario diminution.

From a taxpayer's perspective the diminished I.D. would be liable to encounter increased municipal tax rates, but the level would remain well below average (Figure S-4, p. S-24), and there is the prospect of no increase being necessary because of projected large increases in assessment over the 1984 level used in the present

calculations. The same situation would pertain for school tax rates, although these do not appear to be so far off the average in comparison with the unusually low municipal tax levels. The increased L.B.I. (Land, Buildings and Improvements) rates, even if the likelihood of offsetting assessment growth is ignored, would only rise to levels on a par with those anticipated in the other diminished jurisdictions. The E.P. P.L. (Electric Power and Pipe-Line) rate would remain little changed at a comparatively high level (Figure S-5, p. S-25).

In contrast to recent trends affecting other rural municipalities, the I.D.'s assessment base is growing at an impressive rate, further bolstering already high fiscal capacities. The I.D. has no 'old' Machinery and Equipment assessment liable to be adversely affected by the new policy now being phased in. The 1986 equalized assessment will register a further significant increase, partly on account of the Brazeau gas plant development (in the south-east) but largely because of the Obed Marsh coal development (in the west). Other near-term prospects include increments associated with twinning the C.N.R. rail track, and a similar twinning of the Trans-Mountain Pipeline.

2.5. Wetaskiwin County:

The county council consists of seven members, divided into four eastern divisions, one central division, and two western divisions, only part of one of which (Division 7) figures in the present study. (The other western division covers the Winfield-Pigeon

Lake area). The council's general position is one of surprise and incredulity that the extreme west-end of the county has been included in the present study. They have been acting on the strong presumption that there will be no diminution, and this is underlined by the offensive they took in applying to annex the Rose Creek area of the M.D. of Clearwater. (The annexation bid was unsuccessful.)

The present Division 7 councillor has reported that if there was to be a change in local government arrangements affecting the area the popular preference, of a bare majority, would probably be a link-up with the M.D. of Clearwater, based in Rocky Mountain House. The balance of opinion is divided between the status quo (staying in Wetaskiwin County) and joining up with a new Drayton Valley area local government, should this be formed.

From a municipal operations perspective there is the possibility that greater operating efficiencies can be achieved without the extreme west-end, but the area in question is rather small, in comparison with the Leduc and Parkland situations, and this could limit opportunities for improved cost-efficiencies. Similar constraints would apply to the realization of economies in relation to school system operations. The diminished system would involve only a minimal increase in utilization capacity.

From a taxpayers perspective loss of the extreme west-end would result in a small increase in municipal tax rates and a slight decrease in school tax rates. In net terms the diminution would be more hurtful than it would be helpful to Wetaskiwin County (Figures S-4 and S-5, pages S-24 and S-25).

The county is the poorest of those considered in this study, with the poorest prospects in terms of future assessment growth. This limits, and will continue to limit, the county's ability to provide more than a basic range and level of servicing. It will always have difficulty comparing its servicing situation favourably with that available in better off local governments. As such it will inevitably be liable to lose the allegiance of some residents envious of the servicing attainable in nearby 'richer' jurisdictions. Those now resident in the extreme west end are particularly liable to be influenced by the greater proximity of local governments seated in Rocky Mountain House or Drayton Valley: both much closer than the present county seat in Wetaskiwin. Just as the M.D. of Clearwater was lobbied by some area residents to consider a counter-annexation bid for the three westerly ranges of Wetaskiwin County, it is even more likely that there would be interest in being annexed into a new county to the north, should one be created, since Drayton Valley is closer than Rocky Mountain House.

2.6. Clearwater M.D.:

Even though the Rose Creek area of the M.D., west of Alder Flats, represents only a tiny fraction of its total area, the council of the new M.D. of Clearwater has mounted an unusually strong defence of this part of its jurisdiction. It is on record, in the context of opposing Wetaskiwin County's recent annexation bid, as being 'not prepared to lose control' over the area. And, with an eye on the threat posed by a possible new county to the north, the M.D.'s submission to the L.A.B. solicited not only Board rejection of the

Wetaskiwin application, but also positive affirmation of the M.D.'s jurisdiction, 'to put to rest any present or future notion that this municipality is prepared to release its administration or its taxation role in regard to this portion of its jurisdictional area.'

The M.D.'s case in opposing the annexation bid was based partly on its position that the county was simply attempting a tax grab: it would not be possible to make such a case if a new municipality was being formed. Similarly, the M.D. developed the superiority of Rocky Mountain House as a base for administering this particular part of the M.D. compared to the more distant Wetaskiwin: it naturally did not engage the issue of whether Drayton Valley might be an even better centre for administration of the area, even though this centre would be closer than either Wetaskiwin or Rocky Mountain House. The M.D. was also very concerned that a successful bid by the county could set a precedent whereby other counties on its eastern border might be tempted to make similar but more substantial forays into the agricultural core of the M.D.: incorporation of the Rose Creek area into a new county to the north would be less precedent-setting than a successful annexation bid.

The area in question used to be part of former I.D. 11 a small, virtually uninhabited, area dominated by crown land within the Green Zone. This older separate status of former I.D. 10 reflects the fact that the area had little real connection with the Rocky Mountain House area prior to the administrative consolidation of both I.D.'s in 1979. Nevertheless, the new M.D. was not averse to considering a counter-annexation bid to include the three westerly ranges of Wetaskiwin County. However, the Reeve of the M.D. has indicated that

any such bid would probably have to have the support of 80% of the area's residents before it could proceed (a recent poll indicated only 50% support, on the basis of limited information about all the options).

Taxpayers in the diminished M.D. would face the prospect of very slight increases in tax rates if the Rose Creek area was lost. The taxpayers already enjoy unusually low tax rates and it is difficult to see such increases causing any significant hardship (Figure S-4, p. S-24).

2.7. Urban Municipalities:

2.7.1. Town of Drayton Valley:

The townspeople clearly stand to benefit from more localized local government for the town's trading area, and especially so if a unified county is formed (see Figures S-4 and S-5, pages S-24 and S-25). The difficulties which have faced the town (Pop.: 4982) in the past have been graphically illustrated by the recent 'two-price system' controversy in relation to operation of the town's library and swimming pool.

The town's problem has been in receiving adequate compensation for use of these facilities by rural residents whose councils have been reluctant to re-imburse the town for a proportionate share of the operating deficits. This has engendered much bad blood between the town and the surrounding rural residents, so much so that the town has recently decided to forego pressing the issue in the interests of restoring some harmony. The issue demonstrates how the townspeople, and the residents in the various rural jurisdictions, have both been victimized by the existing fragmentation of local government

arrangements for their wider community. Both interests are susceptible to the divide and conquer syndrome, where neighbour is pitted against neighbour as a result of outdated local government structures and boundaries.

To reap the particular benefits of a unified county approach, the town would have to be prepared to harmonize its municipal service financing within the context of a unit where both urban and rural residents would be taxed fairly and equitably. Such harmonization would involve boosting certain service charges or local improvement tax levies, though these would be offset by a commensurate decrease in general tax levies. The town would still have to face the possibility of rejection by rural residents because of the latter's perception that they would be better off, in tax level terms, without the town. However, the town could point to the fact that in return for sharing in the rural oil/gas plant assessment the rural residents would be able to share in future assessment growth within the urban area, most notably the new strandboard mill but also in any new commercial assessment or government buildings attracting grants-in-lieu of taxes.

The town would also have the option of preserving its separate identity if it simply supported the formation of a traditional county, and became a supporter of this county for school purposes. There would be less disruption for the town and inter-municipal agreements would probably be easier to conclude if the town only had to deal with one rural municipality (instead of four). There would still be scope for inter-municipal friction and the town would not so readily share in the oil-patch assessment.

2.7.2. Village of Breton:

If a new county, traditional or unified, embraced the greater area of Leduc County the Village of Breton (Population: 534) would become a part of the new county for school purposes. This arrangement would probably involve a lower rate of requisitions for the village (Figure S-5, p. S-25). It would become part of a school system roughly similar in size to the one it is in now, but that system would be centred in Drayton Valley rather than Leduc.

It was speculated in the preliminary report that there was a possibility that closer ties between the Village of Breton and Drayton Valley would be viewed with some trepidation, and this was borne out in the Village's submissions in response. The initial speculation was based on the expectation that locals might, rightly or wrongly, perceive an element of vulnerability in the village's position with respect to such key village 'anchors' as the high school and the hospital. Drayton Valley possesses more extensive senior high school and hospital facilities, so much so that Breton residents might worry about the basis for <u>their</u> school and <u>their</u> hospital facilities being eroded, if both the Village of Breton and the Town of Drayton Valley happened to lie within the boundaries of the same rural municipality. While the Village's submissions testify to the existence of such fears it needs to be clearly stated that these can only be regarded as <u>fears</u>: the study should in no way be construed as advocating or implying any reduction in the wide range of services currently provided, or proposed to be provided, by Breton to the general Breton area.

It is presumed that the Village, and the rural residents it services, would only be interested in considering joining any new unit if existing village service roles were to be maintained, as a minimum, at the present levels. Active support for joining any new unit would probably depend on the prospect of enhanced roles for the village, or more generous cost-sharing arrangements between the village/area and the new unit. At present the Village appears to be very content with the status quo within Leduc County. However, there appears to be a growing appreciation of the importance of the villagers and their rural neighbours maintaining a common consistent position, in relation to the issue, and coming to terms with the growing influence of Drayton Valley in their community. The latter exercise would involve overcoming past animosities. In this regard it might be observed that Breton is a much older established agricultural community which did not become heavily involved in servicing the oil and gas developments that sprung up to the west in the 1950's. Drayton Valley came to fill this role and in the process, as it grew in size and influence, came to erode the traditional service areas of the older, but much smaller, communities in the district. Breton is still coming to terms with this situation, and just possibly the prospect of a new local government can be seen as an opportunity for Breton to negotiate better terms for its relationship with Drayton Valley. A new local government, centred in Drayton Valley, but excluding Breton, could pose an increased level of threat to the continued existence of certain key facilities in the village, since Drayton Valley would become even stronger in influence and would become more and more attractive to residents in Breton's service area. However, within the new local government unit Breton

might be able to negotiate a better accommodation of its interests as a designated full service sub-centre.

2.7.3. Villages of Wildwood, Evansburg and Entwistle[1]:

It is quite conceivable that these villages would, at first blush, be similarly suspicious of coming under the formal umbrella of a unit centred in Drayton Valley. As with Breton these are older established but much smaller communities which have seen much of their former influence gradually assumed by Drayton Valley. Entwistle would gain in terms of reduced school requisitions if it was part of a new unit, but Evansburg and Wildwood would experience little change in this regard (Figure S-5, p. S-25).

Unlike the Breton case, the Yellowhead Highway tends to bind the communities much more closely together in an east-west network, relegating Drayton Valley to more of a 'perpendicular' than dominating influence. Whatever the local government arrangements, however, the area is certain to be in a peripheral situation, to units seated in Edson, Sangudo, Stony Plain and Drayton Valley. The area would probably welcome most a local government of its own but this does not appear to be a live possibility given the limited assessment base. In making a choice the area could consider the service currently provided by other local authorities, such as the Yellowhead School Division based in Edson, the Parkland school system based in Stony Plain, and the Hospital District based in Drayton Valley.

Apart from Sangudo, Drayton Valley is the closest possible local government seat to the three villages. They form a unit or cell

1 Populations: Wildwood = 450; Evansburg = 785; Entwistle = 470.

of their own from a schools point of view, and it would be important to maintain this integrity under any revised local government arrangements.

As a general observation it may be noted that in relation to all four villages discussed above, Drayton Valley is a much newer and larger community with a very different economic make-up in terms of the prominence of the oil-patch and the related servicing. To the small villages it cannot but appear as a big, brash, hustling, bustling community, and as one with which they have difficulty identifying. The perception of Drayton Valley as 'only an oil-town' has apparently turned off Alder Flats-Buck Lake residents from identifying with the community. This is in contrast to their more positive perception of Rocky Mountain House, which has more of a history, and includes more of the lumbering and farming activity with which they can better identify.

Drayton Valley is actively striving to diversify its economy away from a dependence on the oil/gas sector. The new strandboard mill will assist in this diversification, as will the current efforts to expand the agricultural land base. It is already an educational and medical services centre, and its status as a government centre would obviously be enhanced if a new county was created. The community may therefore come to have more in common with the outlying areas and small communities in its hinterland. Such a change in 'personality' would make it easier for these areas to identify with Drayton Valley and to consent to being included (for school purposes) within a local government based there.

PART III: IN CONSIDERATION OF A NEW LOCAL GOVERNMENT FOR THE DRAYTON VALLEY AREA: PRELIMINARY ASSESSMENT

3.1. Introduction:

A separate and distinct local government for the general Drayton Valley area appears to be perfectly feasible and sensible on financial grounds, and in terms of both municipal and education servicing. There is a more than adequate assessment base from a school system perspective, and sufficient assessment from a municipal perspective to cover any unusual servicing costs that might be incurred by a new unit. These general conclusions apply for a range of possible configurations for a new unit, regardless of the area encompassed, and for a variety of options in terms of possible forms of local government. It is not, therefore, so much a question of whether a new unit is feasible, but of what would be the most appropriate extent and form for a local government serving the district.

3.2. Extent of Government:

As far as the appropriate extent is concerned, the boundaries would be best built out from a core consisting of the Drayton Valley senior high school attendance area. Additional territory could be included to the extent that current residents of these areas indicate a willingness to come under the jurisdiction of the new unit. In adding territory certain ground rules should be established to ensure the minimum of unwanted disruption to existing school-centred local communities. For example, it makes most sense to treat the Wildwood, Evansburg and Entwistle school attendance areas as one sub-system to be

wholly included or wholly excluded from the new unit. A similar approach should be adopted with respect to the Lindale-Breton and Alder Flats-Buck Lake school sub-systems. Also, it does not make sense to include the Rose Creek area of Clearwater M.D. unless the adjacent west-end of Wetaskiwin County is also included in the new unit.

As far as the westerly extent is concerned, the main reference should be the resource activity area developed or serviced dominantly or significantly from Drayton Valley. This would involve some exercise to determine where that centre's influence fades, and where other service centres, such as Edson and Rocky Mountain House, take over.

3.3. Form of Government:

Either of the three forms of government discussed earlier (Section 1.2, p. S-3) is perfectly feasible, but some make more sense than others in particular situations. For example, a small M.D. encompassing only the Drayton Valley area of Parkland County might not be worth creating, while the pursuit of a unified county on this scale, i.e. incorporating the existing Town of Drayton Valley, might be more worthwhile. Similarly, a traditional county, rather than a unified county, might be more appropriate for the most extensive configuration, if small villages like Breton, Wildwood, Evansburg and Entwistle had reservations about supporting a county in which Drayton Valley had such a direct role. A small-scale M.D. would probably not justify a parallel new school division, though there would be the option of supporting the existing school systems, and basically maintaining the status quo in school terms.

A unified county makes most sense if the intention is to design a local government that best serves the main industry in the area, the one that would be paying the bulk of the taxes associated with a new unit. There would be less justification to take in large portions of the oil-patch in the existing I.D. if the intended form of government was simply an M.D. or traditional county. In terms of comparative local government status a unified county, on the basis of the most extensive configuration, would create a unit closely rivalling the very largest of rural municipalities, and topping several small cities. It would have a comparatively high profile in an Alberta context, but would involve a large measure of experimentation, being a little tried form of government.

An M.D. and traditional county would be relatively simple forms of government to attempt to establish. However, it would be important to determine their appropriateness as vehicles of local government in the context of the next century, rather than the present century. The need to respect urban/rural distinctions appears to be much less in the Drayton Valley area, compared with older established and more purely agricultural areas. Separate urban and rural units do not appear to be so necessary; hence the suggestion that consideration also be given to a unified county form of government.

3.4. Municipal Services:

It should be possible to easily maintain, and probably enhance, existing service levels under a new local government. There will be special problems to overcome in certain areas, most notably road developments, but this is where the healthy assessment base will come into play.

There will be demands for better roads to service resource developments outside the settled areas. This will possibly involve the designation of more secondary roads, and a heavy maintenance responsibility for the new unit. It may also wish to spur the improvement of such roads by sharing in the costs of construction or upgrading. In other areas local, farmland-access, road networks are less complete than is normally the case. There will therefore be additional expenses associated with extending and filling-in this network. These expenses will be compounded by the fact that the terrain is fairly difficult, with many deep ravines, unstable slopes, and numerous bridging requirements. The terrain factor will be recognised to some extent in the rural road grant formula applied by the provincial government, but the new local government will have to be prepared to face above average expenses in this area.

A unified county approach would assist in keeping down the expenses of running a council and generally administering the new unit. Strathcona County has achieved considerable efficiencies through common servicing of municipal and school operations, in an integrated urban/rural fashion. However, the larger area to be covered and the sparser population to be served in the Drayton Valley area context may necessitate special measures, such as satellite sub-offices - perhaps in conjunction with the existing village operations - and/or a mobile general administration unit.

The council of the new unit would be able to decide on the range and level of servicing that is appropriate, and this would be particularly important in relation to police services. The R.C.M.P. would be available to contract for the urban area service. At the

moment the R.C.M.P. provides a free service to rural areas through a contract with the provincial government. A charge for this service will probably be levied by the province in future years, at which time it may be appropriate for the new unit to enter into a more comprehensive policing contract with the R.C.M.P. There would always be the option of maintaining a county police force, as is now the case in Parkland. Another option would be to settle for a beefed-up bylaw enforcement operation.

It is assumed that fire protection for the new unit would continue to be handled predominantly by the force now operating out of the Town of Drayton Valley, in association with squads of volunteers operating from fire halls established in outlying areas. Little change is also anticipated in relation to ambulance servicing, or the operation of the new regional sanitary landfill system. These systems could be easily extended, where appropriate, to service all the areas that might fall under the new unit's jurisdiction.

The equitable provision of recreation services may be more problematic since it would be difficult to replicate the Drayton Valley facilities in the outlying areas. Generous funding of community associations, or agreements with villages able to better serve certain rural areas, would have to be considered. The new unit would have to devise an appropriate response for its particular situation, probably involving something along the lines of the regional system found in Leduc County. A community school philosophy would also be in order to make the best use of resources in serving areas distant from Drayton Valley. In this respect the school side of a new local government unit might be of particular assistance to Breton in its current efforts to incorporate an indoor swimming pool into its high school.

A decent Agricultural Services Board operation will be of particular concern to farming interests within the new unit. It would have to be tailored to meet the particular needs of the area. Similarly, a more substantial Family and Community Support Services operation might well be sought by urban interests especially. Both of these services, which tend to be important for particular minorities, would become more feasible in a unified county context, where urban residents wishing to take advantage of the agricultural services could do so quite easily, while those rural residents wishing to access the F.C.S.S. programs could do so without impediments.

3.5. Education Services:

A school system operated by the new unit would have the benefit of a considerable assessment base, providing the opportunity to more easily sustain existing schooling provisions with a minimum of disruptive change. The most extensive configuration would constitute a fairly balanced system on a scale sufficient to ensure at least the present level of service. Smaller system configurations would entail a greater struggle to maintain the standards which have come to be generally accepted under the present arrangements. The possible contrast would be particularly noticeable for Parkland system users, since this system is significantly larger than any of those which might replace it. It should be recalled that officials of the Parkland system feel that the greater loss, should the system be diminished, would be felt by Drayton Valley area residents now served by Parkland.

The most extensive configuration would demand the maintenance of small high schools in outlying areas, since travelling

time-distances to Drayton Valley would obviously be too onerous for too many students resident in these areas. The system would therefore have to be prepared to tolerate low utilization capacities in several schools, while still striving to provide a high level of programming. In this respect some innovation may be required whereby the specialized senior high school in Drayton Valley could serve as a learning resource centre for outlying high schools. It could be the base for itinerant specialist teachers, or its facilities could be used periodically by outlying senior high students where this makes sense. The healthy assessment base of a new system should be capable of sustaining the extra costs associated with such measures.

Another possibility would be to have separate boundaries for the municipal operations and school system of any new county. For example, it makes sense for a unit to embrace much of the south-east portion of I.D. 14 for municipal purposes if the oil-patch is to be serviced in a major way, but it may be more sensible and fairer to leave the Yellowhead School Division with a claim on the assessment base involved for school purposes, if this can be worked out.

3.6. Consequentials:

The creation of a new local government in the Drayton Valley area would also have possible consequences for other local authorities currently serving the area. For example, its boundaries could indicate more appropriate boundaries for the existing hospital district, though this is unlikely to be pursued actively. The same may apply to other agencies such as the health unit, or the Alberta Agriculture district.

The area under study is also served by three regional planning commissions: Red Deer R.P.C. is responsible for the small part of Clearwater M.D.; Battle River R.P.C. services Wetaskiwin County and the western half of Leduc County; and the Yellowhead R.P.C. covers I.D. 14 and the western half of Parkland County. A new local government for the area would probably have most in common with those municipalities currently serviced by the Yellowhead R.P.C., and perhaps the balance of Parkland could be placed wholly within the Edmonton Metropolitan R.P.C. (as is the case with the eastern half of Parkland at the present time).

3.7. Future Action Considerations

This report is intended to assist area residents in coming to a more informed decision as to what local government re-arrangements, if any, might be appropriate. The main factors to be considered relate less to changed taxation levels and more to what extent and form of local government would more conveniently and capably serve their needs. A Drayton Valley-based unit could provide comparable or greater convenience and servicing capacity over a relatively extensive area. It is less certain, however, if a majority of the residents of this area would willingly consent to be governed by the new unit. A unified county form of government appears to have certain merits but it is uncertain if this approach would find general acceptance, in comparison with more familiar tried-and-proven approaches, such as a municipal district or traditional county. Future action should centre on settling both these issues before addressing the basic question of whether a new local government is warranted, given the ensuing disruption of existing local governments.

A lobby group has been organized with the specific purpose of realising a new county in the Drayton Valley area. This group can be expected to make particular use of the report, and to be especially interested in helping to settle the issues mentioned above. It will probably be holding public meetings across the area. It is conceivable that petitions will emerge where there is majority support for a workable consensus, and that these will be combined into a single petition to the Minister requesting appropriate action.

If and when such a petition is received the Minister has the option of appointing a boundaries commission to make recommendations on the matter (under Section 14(1) of the Municipal Government Act). Such a commission approach would be similar to that taken about ten years ago when the Leslie committee was appointed to consider basically the same matter. The previous committee did not have the benefit of an extensive information report on the subject, and its deliberations stretched over about four years. It should be possible, and - it is believed - would be generally desirable, for a short time-limit to be set on the period within which such a committee must report its recommendations.

If some local government re-arrangements appear to merit serious pursuit, the Minister may wish to provide for a series of local plebiscites to help define what areas ought to be subject to the changes. If an immediate traditional county is preferred (rather than an M.D. first), or if a unified county is the desired form of government, the Minister would have to be prepared to pursue special accommodating legislation.